

# **A Producer's Perspective of the Canadian and American Dairy Industry**

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## **■ Take Home Points**

- Each side of the border faces unique challenges
- Both industries require great management to survive.
- We face common threats to our industry
- Are we really that much different?

This presentation is not intended to be a technical analysis of the two industries, but a producer's perspective. For those who are not familiar with my history, I will give a brief outline. I am a third generation Alberta dairy farmer. In 2002, we sold our Canadian interests and moved our operations to Brillion, WI, in the mid-west United States. I now have owned and managed our dairy in Wisconsin since September 2003. Just as being an Alberta dairy farmer did not give me great insight to the benefits and challenges of the eastern Canadian industry, neither does being a mid-west dairyman give me great knowledge on the large western, south-western, and eastern dairies of the USA. I will assume that I am speaking to a Canadian group and will therefore put my emphasis on the American industry.

## **■ Producer Representation**

The Alberta dairy industry has local producer representation groups that then report to a provincial board. They also send representation to the national board, Dairy Farmers of Canada. They vote for a person to represent them at each higher level. Information is disseminated through traveling road show meetings. For those who would take the time to attend these meetings and other annual meetings, one would have an opportunity to be educated and to become involved in their industry.

Producer representation USA - what representation? Wisconsin has made some great strides in the arena of producer representation over the last 10 years. We now have the PDPW (Professional Dairy Producers of Wisconsin), a group that has more of a mandate of education. They work with University of Wisconsin Extension Services to host small seminars around the state, as well as a large producer conference similar to this one. PDPW may send a member to committee meetings to help advise the government. Wisconsin's newest organization is called the Dairy Business Association (DBA). This also is a voluntary membership made up of producers and service industry businesses. The DBA has been very successful in its lobby efforts representing the industry in the areas of livestock siting, manure regulations, CAFO's (Confined Animal Feeding Operation), and simply getting agriculture back into the legislature.

Nationally there really seems to be a void in the area of effective producer representation. A large percentage of the milk produced in the USA is processed by Cooperatives. Membership in the co-op, and the representation structure, seems to be the vehicle for national producer representation. I ship milk to a preparatory milk plant and therefore am required to belong to a non-processing cooperative. I feel that there is not a voice nationally to speak for me. Make no mistake, there are voices that speak nationally, but I believe they speak more for the co-op than the dairyman. The USA needs an organization similar to the DBA in Wisconsin to speak with a united voice for all producers.

## ■ Environment and Siting

Everyone is concerned about the environment; however, it seems to be that the people most vocal about the environment are people that have moved to the country from the city and have been really surprised to find the country once they arrive. I believe farmers are the original environmentalists, but the world is a changing place. We all believe in agriculture and growing our own food, just not in my back yard. Manure in the eye of the public is moving from being a valuable nutrient to becoming a toxic sludge.

Siting a new dairy changes not only from state to state, and county to county, but from township to township within the county. In Arizona, all one needs to build a large dairy is title to the land. California is more subject to the court of public opinion when it comes to siting, and having a legal budget for your facility needs to be considered in a new project. In Wisconsin, specific rules are all over the map; however, as time passes, new siting legislation is becoming more uniform. I will outline the permits and requirements for siting a new dairy in my county:

- ▶ If the land is zoned exclusive agriculture, a \$100 permit is required (town

or county)

- ▶ A septic permit (State)
- ▶ A driveway permit (Town)
- ▶ A manure pit permit (County)
- ▶ Storm water runoff permit (State, for construction)
- ▶ WPDES (Wisconsin Pollution Discharge Elimination system) A State permit issued for CAFO's over 1000 animal units)
- ▶ High capacity well permit (if your facility uses more than 265 L/min or 70 gallons/min)

In our township and county, the building permit mostly addresses siting and setback from property lines. In our situation, we could not build closer than 8 meters (25 feet) to the sides, and 16 meters (50 feet) to the back property line. The permit indicates the dairy is an authorized land use on land zoned exclusive agriculture. There is no mention as to what size of dairy, and there is no consideration as to how close the proposed facility is to your neighbors' buildings, just to the property lines.

The most complicated permit is the WPDES permit issued by the DNR (Department of Natural Resources). This is a science-based permit that addresses the nutrient management plan, and the construction of manure handling and storage facilities. This permit has nothing to do with siting. In Wisconsin, there are about one hundred and fifty permitted facilities. In most cases the need for an environmental assessment is waived. This permit is required when the animal units on a farm exceed, or are expected to exceed, one thousand animal units in the next twelve months. An animal unit is one thousand pounds. The DNR also issues public notice of this pending permit, and in many cases, a public meeting may be held. Many times these hearings turn into civil war, with bitter and acrimonious accusations being directed towards the applicant and the DNR. The redeeming part of this process is that after all the ugly comments have been said, the only thing of official record will be based on science. Is there enough land to spread manure on, and is there enough rebar in the concrete?

## ■ Nutrient Management Plan

You must show where all of the nutrients from the dairy are going to be spread, and what crops are going to be grown. Based on the crops usage of nitrogen and potassium, application rates are established. All land is to be soil tested in five acre plots every four years to confirm the application recommendations. A new nutrient management plan is to be submitted each

year to the DNR.

## ■ Construction of Waste Handling and Storage

The DNR will review engineered plans of manure pit, transfer systems and any other storage facility on the farm. Typically, quantity of rebar required and concrete quality are addressed. Also, a leachate collection system from the silage storage area is required to collect seepage from the silage.

I am aware that there have been many changes in the permitting of new facilities in Alberta. Recently, new regulations by the NRCB (Natural Resources Conservation Board) in Alberta have divided the dairy into three categories. New facilities for less than 50 cows do not require a permit; 50 to 199 cows would be considered a CAFO and require that the facility be registered; and greater than 200 cows would require board approval. The NRCB looks at MDS (Minimum Distance Setback) from any storage of manure to the nearest occupied residence, and these distances are calculated using anticipated manure production. Also, manure structures need to be engineered to meet NRCB codes.

## ■ Processors and Competition for our Product

Competition is great for an industry, and this is one of the reasons we chose Wisconsin to establish our dairy over Alberta, Iowa, and South Dakota. Wisconsin has over 100 processing companies; however, there are probably between ten and twenty “players” in the industry. These facilities would take your milk tomorrow if you wanted to change your allegiance to a different processing plant. Alberta has only two, and Western Iowa has one or two, as does South Dakota.

With marketplace competition, there also comes a level of service, and a quality of product. If you wish to sell your milk to a co-op that makes commodity cheese and is not really concerned about the quality of milk so long as it meets the standards for grade A or grade B, you will find a home for your milk. I sell our milk to a specialty cheese processor, Grande Milk Marketing LLC, and if our quality slips, they will invite me to sell to a different processor. However, we get paid better for our efforts.

Our milk plant, as well as many others, is very interested in helping us with our milk quality. The milk plant reports daily via email and/or secure server, our milk shipments, including milk per shipment, fat, protein, other solids, SCC, plate count including LPC and E. coli count, and milk urea nitrogen. In addition to taking a weekly co-mingled tanker sample for culturing, our milk

plant also receives our individual milk samples from our fresh cows, and any mastitis cows we choose to culture. They forward them to a lab for testing of Mycoplasma, and contagious and environmental pathogen culturing. Results are forwarded by email to our dairy, our herd vet, our field man and our milk quality vet.

Grande is involved in our farm through the services of their field man. The field man works with us to ensure we are following state and federal dairy farm ordinances. This will include following drug storage rules, and providing results from water samples. Grande also supplies us with the testing tubes for milk cultures, and we also purchase antibiotic residue test kits (Delvo).

## ■ Production Controls and Price Setting

First, let's look at production controls. Yes, we all understand that Canada has a production control system called Supply Management, the "Quota System", and the United States does not. But, let's break this down to the farm gate. Nationally, each country needs to control production to match domestic consumption, and some export opportunities. Canada is a country that works under the quota system and desires to produce milk only for domestic consumption (and a little more). Individual producers who want to grow their business and have the financial capability may do so, but in doing so are eliminating some one else from the industry. The American industry chooses to control production with price, and when the price gets low enough, individual producers may take themselves out of business.

There is only one market signal that stops an individual producer from shipping more and more milk. It boils down to dollars. In Canada, I would suggest that there is not a shipper in this room that would not milk a few more cows if the price of quota was priced as it was in the early 1990's. However, the cost of the quota is just out of cash flow range for most leveraged producers. The American system is a little slower to react to the pricing controls. As the price swings from great to slightly below horrible, producers have a really tough time cash flowing. So, in order to mediate the cash flow crunch, the first response is to sell more milk. This, however, will further push down the price. When the price finally gets low enough, producers will start to cull cows, to sell heifers, to cut back on higher cost rations to help cash flow, or simply start to exit the business. When the supply starts getting short, the price will rebound. When the price rebounds, and operating lines of credit get paid down, there is a rush to grow again so that the cost of production can be spread over more units to prepare for the next downturn in price. Each time this cycle happens, the strong get stronger, and the weak, well it eventually leads to some attrition in the industry.

## ■ Milk Pricing

Canada has formula pricing for fluid milk. This is a calculation that involves many things ranging from the price of dairy hay and dairy ration, to the labour index and the consumer price index. Manufactured milk in Canada is priced yearly, based off of a formula, and is then open for negotiation. I refer to this as the yearly ritual of complaining about the cost of milk by the Food and Restaurant Association. So, after the formula, there is negotiation as to the final price.

American price setting is somewhere between easy and esoteric. The Class III price is set based on the NASS (National Agriculture Statistic Survey). This is used to establish the announced Class III price. It is funny how the announced price deviates somewhat from the formula. There is also a difference between Class III and Mail Box. Mail Box will include the base Class III, plus premiums that are funded in part by the pooling of other classes. Based on quality and quantity, the Mail Box may be as little as fifty cents per hundred weight to as much as two dollars per hundred weight higher. Now, add the confusing part. If your milk plant can sell a certain percentage of its milk in a different "Order", then that milk plant can "qualify" and use a different "Order's" pricing system. Nice trick if you can pull it off.

## ■ Financing and Banking

The United States has a strong Farm Credit Program, as well as many independent banks that would be glad to lend money to a sound agricultural operation. I believe if one shops around, you will find a high level of knowledge among the bankers. I am impressed with their understanding of the cyclical nature of the milk price, and their resolve to see you through the low cycle. However, we must remember they also need to lend money to make money, and the banking industry is a capitalistic one.

The banking system is a whole different story. The United States will never catch up to the sophistication of the Canadian system. The Canadian banking system has a few large banks, which lends to less competition. As well, greater economics of scale allows for cheques to cash and clear quickly. It has been our experience that the service sector in the American banking system falls short.

## ■ Drugs and Diseases

Most diseases are real, however, BSE has ended up being more about politics and has had a very large impact on our lives. I am sure you are all too

familiar with the mad cow situation in Canada. This, in my opinion, ranks on the top of the list of diseases that have had an economic impact, but with an extremely low risk to cattle or human health.

Johne's is very prevalent in the Midwest, and a tremendous effort is being made by some producers to eradicate it. Many people believe it does not exist in their herd, but remember, if you do not test, you do not know. We purchased a couple of herds that claimed to not have the disease, or at least claimed to test for it. After the cattle were moved, and a point of stress was added to their lives, the disease became very real.

Bovine Viral Diarrhea-Persistently Infected (BVD-PI) is a bit of a sleeper disease that will cause all kinds of problems in the baby calf facility as well as the breeding pen. We have been vaccinating every animal at 30 days in milk for three and a half years. Yet, we still submit ear notches for testing from every heifer calf born to confirm our BVD negative status. In time, we hope to be able to stop the testing, but for now having had a "closed herd" for only a year we will continue. We have tested approximately 3000 animals and have only discovered four PI calves, who were destroyed immediately.

Mycoplasma mastitis and Staph. aureus mastitis are very high alert diseases. We test every fresh cow, as well as testing a co-mingled bulk tank sample weekly. To date, we have discovered only a half dozen cows positive for Mycoplasma, and maybe another half dozen cows positive for Staph. aureus. The animals were removed immediately upon the receipt of the positive test. Most of these animals with the mastitis looked normal, and still provided a good cull price.

Adult cow pneumonia is a frustrating disease due to the high humidity of the mid-west. It must be diagnosed between bacterial pneumonia and Mycoplasma pneumonia. We have found that good ventilation and cow comfort are the best defenses against this problem, especially since Mycoplasma is resistant to most of the drugs labeled for lactating cows.

Salmonella is a disease familiar to both sides of the border. The winter of 2005/2006 there were outbreaks on most farms, some with devastating consequences. The custom calf growers were hit the worst, with some clients losing 25% of their baby calves during the outbreak. We believe this disease is ever-present, and is just waiting for the opportunity to express itself. Cleanliness, vaccinations and a stress-free lifestyle for the cows are the best defense against this disease. We also separate the hospital pen into the post-fresh cows, and the sick and treated cows.

BST is an extremely controversial product on both sides of the border. It has been cleared for use in the United States for many years, but Canada refuses to approve its use. Rumensin, on the other hand, has been cleared for use in

lactating cows in Canada for approximately ten years now, but the USDA just cleared it for use in the fall of 2004. Each country has its own approach to the approval of new products.

I am concerned that there is a move by some processing companies in the United States to label their milk supply rBST free. This is happening in remote markets where there is little option for a dairy to ship to a different processor, thus squeezing the producer into submission. If they succeed in the dialing back of this approved technology, we need to be concerned as to what will be next, and where will it end. We must be very careful that we do not lose the tools that have proven to be safe and effective for use on our farms.

## ■ Cattle Quality

Hold your head high Canada, you have great cows! The use of all bull breeding in the United States is still very high, and it is coupled with poor DHI enrollment. This is a strategy to lower cost. Remember, genetics are an investment, not a cost, and if you don't measure it, you can't manage it. It is very difficult to purchase an animal that has even the simplest of records, such as birth date and breeding date.

I believe the fastest way to improve the quality of your herd is through voluntary culling, and the Canadian system has proven this theory. If production increases, cattle numbers must decrease if more production quota is not purchased. So, as production techniques have improved, cattle numbers have reduced leaving better quality herds. This cycle repeats itself, and actually begins to feed on itself as well. This has taken place in well-managed herds; so, proper genetic selection and husbandry are also factors in allowing the cycle to be repeated.

In the United States, as we increase our production, we are pleased to ship more milk. With the need to cash flow poor milk price cycles, we also tend to keep animals that should have been culled, and even sometimes reproduce them. Finally, when the barn gets too full, we build another barn instead of culling, thus slowing the rate of genetic improvement. There is too much emphasis on quantity instead of quality. The American cow does produce about 1000 liters per year more than the Canadian cow (Table 1).

## ■ Labour and the Human Side

The American industry unapologetically survives due to the availability of the migrant workers. Most dairyman pay the migrant workers well, and many



workers are moving into herdsman/management roles. The real advantage the migrant workers “bring to the table” is work ethic, especially in a repetitive job. As well, there always seems to be a good supply of applicants. Usually, if we have an unexpected vacancy, the position can be filled within hours. The American dairy managers’ philosophy towards labor might be summarized: “if you can’t change people, change people”.

Compensation for labour is usually hourly. Our entry-level wage is \$8.50 per hour, with the expectation to be paid \$9.00 per hour before the first year is completed. At this point, we have a cap of \$10.00 per hour for milkers and cow-movers. Our herdsman and feeder are paid \$13.50 and \$13.00 per hour, respectively. Other incentives we offer are staff/family parties two or three times a year, as well as health insurance.

Personally, we have to live in the American Health Insurance system. This is costly as we pay \$700 per month for our family, as well as a \$3000 deductible before we see any benefits. The quality of health care can be excellent and prompt, whether you require emergency, routine, or elective procedures. The Canadian system is much less expensive personally, and the access to general practitioners is readily available. However, elective procedures like a knee replacement or an MRI, or critical treatments such as chemotherapy can take months.

Western Canadian labour availability, I understand, is getting to be a very tight commodity at this time. The local labour pool is so thin that finding replacement workers can allow you the opportunity to enjoy milking your own cows. This causes the dairy manager to have to adopt a managerial style that states: “better to put up with substandard work, than have to do the work yourself.

Bridging the labour gap with technology, I believe, comes with a cost to the cow. We can build large and fast milking parlours and auto ID systems for sorting, however, after this, the technologies that improve a cow’s life become few. Mats for the cows to sleep on, alley scrapers, or slated floors to deal with the manure, and cheating ventilation to keep manure from freezing are examples of technologies that challenge the cow. The trouble, I believe, with much of the technology available to both the American producer and the Canadian producer is that the full cost associated with it has not yet been determined. We implement labour-saving technologies to mediate the high cost and/or unavailability of labour, and sometimes these have a negative long-term effect on cash flow. When long-term changes in breeding, cull rate, and milk quality are added to the formula, we must be careful not to undervalue the human touch.

The American industry loves to talk about cows per hour through the parlour, pounds of milk per employee, and cull rate, but I have heard very few

dairyman on either side of the border talk about return to investment. I believe that more American dairymen have an idea of cost of production than Canadian dairymen; however, the industry needs a different understanding of true profit, both for the hard times short term, and especially for the long term. Using a natural service bull may help cash flow in the short term, but it may also hurt cash flow in the long term.

The hard reality dairymen must face is that we need to be careful about being too proud of our efficiency. Some times an extra person may be the most profitable investment. If we can slow down the cull rate, enhance breeding, and work on milk quality, we can put more money in the bank long term. These are investments in cash flow, and will be seen negatively on the cost of production ledger. Profit is the difference between income and expenses, and we must look at enhancing income by making an investment in labour.

Remember, if we are making labour comparisons to the large western-American dairy, we must discount the numbers because many western dairymen are now only milking cows. Feeding calves, cropping, manure hauling, breeding, and equipment maintenance may all be out-sourced. The arid climate also allows for many shortcuts to be taken such as wash pens, open-lot calving pens, and abbreviated parlour protocols.

## ■ Government Intervention

Nobody is getting rich on subsidies in the United States dairy industry. The crop guys, on the other hand, seem to need a bigger mailbox than I do. Maybe it is the capitalist in me, but I wish the government on both sides of the border would stay out of our industry. In the United States, the MILC program (Milk Income Loss Contract) was probably the worst thing to happen to producers, in the big picture. This is a program that caps eligibility at 1,088,621 kg (2,400,000 pounds) per year. This covers my production for twenty-seven days, and then I am done. Subsidies that support inefficiencies are only Band-Aids to cover a bigger problem. The government must create an environment in which industries can survive and thrive in the marketplace on their own. This is especially complicated when dealing with a perishable product. The CWT (Cooperatives Working Together) program would have been a much better place to put the subsidy money, as this would have removed product and cattle from the industry.

In Wisconsin, there are programs that encourage expansion of the dairy farms. There is the Dairy 20-20 grant, which will cost share 50% up to a maximum payable of \$3000 for the development of a business plan. This has been a fantastic tool. Wisconsin also has the MVP program (Milk Volume Program). This is an affordable financing opportunity using federal block grant programs. The MVP will finance \$500 per new cow in new facilities, or

expansions, one time only. This is a seven-year note, with no payments for the first year, interest only in year two, and then the balance paid out over the next five years.

In Wisconsin, we also participate in a Johne's Management Program with cost-sharing for all of our blood testing, full funding for an annual Johne's risk assessment from our veterinarian, and periodic grants of \$1000 to \$3000 towards the purchase of equipment to reduce the spread of Johne's Disease. This, in my opinion, is one of the best programs in Wisconsin to support the industry as a whole. However, it is sadly under-used.

## ■ What The Future Holds

Economies of scale will be the driving force in both countries. Along with this is going to be a time of adjustment. The real question is: are you ready for the coming challenges, or will you choose to step aside and let those who are mentally, managerially, physically and financially healthy take over?

Looking forward in the United States, there is a need to have a national herd of about eight to nine million milking cows. This has been presented to me as being made up one day of 1600 hundred herds milking 5000 cows each. Wow, that is a bold prediction! I would prefer to look at it as 5000 dairies with 1600 cows each. Is this so far ahead? In Wisconsin, the annual attrition of dairy farms is equal to the entire Alberta industry. It is a daily battle to remain competitive. The presence of partnership dairies and investor dairies is becoming more of a reality each year in the United States. So, if you do not have the finances to own a large dairy but you have the talent, there is a career available you.

The American dairyman is all about lowering cost of production, thus allowing the opportunity to put more margins into the owner's pocket, through good times and bad times. Lowering cost of production is accomplished by selling more units of milk with fewer input costs.

The Canadian dairyman receives a price for milk based on a formula established some 35 years ago. This formula sets the price of milk allowing for 50% of producers to realize a profit. Will the day of reckoning come for Canada as well? The cost of production formula does not include the cost of the dairy quota, the debt servicing on the quota, or the principal payments on the quota. I understand that the price of milk should cover all of the variable cost of production for feed and labour, as well as the fixed costs of land, buildings and cows. The paradox is that the fixed cost for a new dairy might be as high as \$7000 per cow, but the quota might be as high as \$30,000 per cow on top of this. Will you be strong enough for the day of adjustment?

## ■ **World Trade Organization, Free Trade, and NAFTA**

The Canadian dairyman is very informed about the state of the WTO, and needs to be informed how each round will affect supply management. I would suggest that the majority of the American dairymen, including myself, are blissfully unaware of even the existence of the WTO. We are not ill informed because we choose to, but because this information is not present in the state, local, and farm papers. So, unless we make an effort to investigate the state of international affairs regarding agriculture, we remain uninformed.

It is my opinion that Canada is consumed with the state of affairs on the international scene because Canada has something to lose. I would like to refer to the tables of production versus people, and people per cow, to support this opinion (Tables 2 and 3). With population increasing 8.39% in the last ten years, and production only increasing 3.5% in the last ten years, I fear supply management is losing the battle.

I will, however, reserve the right to be wrong in my opinion. Every day over 16,000 Canadian producers cast their vote in favour of this system, either actively by purchasing additional quota to maintain cow numbers or to grow, or passively by simply staying in the industry.

In conclusion, I understand and respect the unique differences of the Canadian and American dairy industry. Each has its challenges and its rewards; each has extremely gifted cattlemen, and the ability to produce a quality product. The future of dairy in North America is not about positioning Canada's system against the American system. The real enemy of the dairy industry will be from outside forces. Animal rights movements, the environmental lobby, and urban sprawl, I believe, will present a greater threat to our industry than American milk price or Canadian quota price.

Each system of production, and compensation for the products produced, will continue to endure the test of time. The inability to site new facilities, or to grow the ones we have due to the biased science from the environmental lobbyists will be the undoing of our industry on both sides of the border.

**Table 1. Canadian and American dairy statistics: cows/country, annual production/cow and dairy farms/country**

| Year    | Milk Cows |           | Litres/Cow |        | Dairy Farms |         |
|---------|-----------|-----------|------------|--------|-------------|---------|
|         | Canada    | USA       | Canada     | USA    | Canada      | USA     |
| 1996    | 1,237,200 | 9,372,000 | 5797       | 7247   | 24,603      | 130,980 |
| 1997    | 1,231,100 | 9,252,000 | 6028       | 7440   | 23,818      | 123,700 |
| 1998    | 1,184,000 | 9,151,000 | 6245       | 7578   | 22,643      | 117,145 |
| 1999    | 1,156,700 | 9,153,000 | 6515       | 7833   | 21,561      | 110,855 |
| 2000    | 1,103,400 | 9,199,000 | 6761       | 8025   | 20,624      | 105,055 |
| 2001    | 1,091,000 | 9,103,000 | 6980       | 8009   | 19,411      | 97,050  |
| 2002    | 1,084,000 | 9,139,000 | 6912       | 8206   | 18,673      | 91,240  |
| 2003    | 1,065,000 | 9,083,000 | 7031       | 8273   | 17,931      | 86,360  |
| 2004    | 1,055,000 | 9,012,000 | 7208       | 8364   | 16,970      | 81,520  |
| 2005    | 1,066,000 | 9,041,000 | 7028       | 8633   | 16,224      | 78,295  |
| %Change | -13.8%    | -3.5%     | +21.2%     | +19.1% | -34.1%      | -40.2%  |

**Table 2. Canadian and American dairy statistics: national annual production in hl and national population estimates**

| Year     | National Annual Production (hl) |             | Population estimates |             |
|----------|---------------------------------|-------------|----------------------|-------------|
|          | Canada                          | USA         | Canada               | USA         |
| 1996     | 71,722,030                      | 679,155,587 | 29,771,690           | 265,229,000 |
| 1997     | 74,213,760                      | 688,352,290 | 30,076,410           | 267,784,000 |
| 1998     | 73,944,179                      | 693,514,317 | 30,323,114           | 270,248,000 |
| 1999     | 75,355,160                      | 717,006,011 | 30,575,994           | 272,691,000 |
| 2000     | 74,600,107                      | 738,191,312 | 30,838,246           | 276,059,000 |
| 2001     | 76,147,191                      | 729,102,447 | 31,021,251           | 285,107,923 |
| 2002     | 74,236,612                      | 749,965,823 | 31,372,587           | 287,984,799 |
| 2003     | 74,883,203                      | 751,255,510 | 31,669,150           | 290,850,005 |
| 2004     | 76,049,358                      | 753,806,872 | 31,974,363           | 293,656,842 |
| 2005     | 74,234,456                      | 780,508,994 | 32,270,000           | 296,410,404 |
| % Change | +3.5%                           | +14.9%      | +8.39%               | +11.76%     |

**Table 3. Canadian and American dairy statistics: people/cow and annual milk production/ person**

| Year     | People per cow |        | Annual production/person L |        |
|----------|----------------|--------|----------------------------|--------|
|          | Canada         | USA    | Canada                     | USA    |
| 1996     | 24.1           | 28.3   | 240.9                      | 256.1  |
| 1997     | 24.4           | 28.9   | 246.8                      | 257.1  |
| 1998     | 25.6           | 29.5   | 243.9                      | 256.6  |
| 1999     | 26.4           | 29.8   | 246.5                      | 262.9  |
| 2000     | 27.9           | 30.0   | 241.9                      | 267.4  |
| 2001     | 28.4           | 31.3   | 245.5                      | 255.7  |
| 2002     | 28.9           | 31.5   | 238.8                      | 260.4  |
| 2003     | 29.7           | 32.0   | 236.5                      | 258.4  |
| 2004     | 30.3           | 32.6   | 237.8                      | 256.7  |
| 2005     | 30.3           | 32.8   | 232.2                      | 263.3  |
| % Change | +25.7%         | +15.9% | -3.6%                      | +2.81% |

■ **References**


Canadian data provided by Statistics Canada and the Canadian Dairy Commission

<http://www.statcan.ca/start.html>

<http://www.dairyinfo.gc.ca/english/dff/index.html>

USA data provided by the Wisconsin Milk Marketing Board





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