

A MESSAGE FROM THE WMP CHAIR

Western Dairy Farmers,

With our Fall meetings behind us, we wanted to quickly reach out and thank everyone who attended. The turnout and participation was excellent leading to very helpful discussions that give us good reasons to be optimistic about the future.

A few quick follow-up comments:

- We will provide updates on each of the priority initiatives as things progress
- See a **Q&A reference document** (following pages) with some of the top questions we have responded to
- If you missed the video that kickstarted our meetings, or want to see it again, [you can watch it here](#)

If you weren't able to attend the fall meetings, we recommend checking out the [WMP Transformation video](#) which provides an important perspective from each of the provincial board Chairs, a summary of the Priority Initiatives being spearheaded by the WMP; and messages from two Processors.

If you have any questions, please don't hesitate to reach out to your Provincial contacts.

Sincerely,

Henry Holtmann,
Chair, Western Milk Pool

Western Milk Pool Q&A

1. Will I lose access to my local provincial contacts?

Your local provincial contacts will continue to support you and be your first point of contact. When WMP is fully operationalized, your local team will also be supported by regional resources who will be there to provide extra coverage when it is needed, including in times of crisis. The explicit goal is for all western dairy farmers to see increases in service value over time with no loss in the personalized service you enjoy today.

We will also have a dedicated communication team that will ensure consistent, clear messaging on everything related to the Western Milk Pool. Our biggest commitment and responsibility is to make sure you are aware of what we are doing at all times.

2. What will change immediately?

Nothing is going to change immediately – including any changes to provincial regulations or legislations. We are simply announcing that all five western dairy organizations unanimously support the transformation of the WMP, with a new modernized governance model for working together. The new governance model is expected to be finalized in the Spring 2023.

Following this important milestone, work will begin to fully operationalize the WMP within the legislative framework of each province. In the meantime, the WMP will continue to work on priority initiatives that are already underway.

3. Why do we need to transform the WMP?

Transforming WMP is an investment in how we can – and must – work together to achieve common goals, leading to a better future for every western dairy farmer, and ultimately the Canadian dairy industry. It will provide a stronger, unified voice to advocate clearly at the national table and put us in a better position to collectively grow the capacity of the dairy industry in the west with desired quota increases for our farmers.

This is also an investment in achieving better efficiencies by pooling more resources and working together on various priority projects including Dairy Innovation West.

By transforming the WMP and harmonizing our policies now, we will all be in a much better position to grow the capacity of the dairy industry in the west, flatten the line on WMP costs, streamline our operations, and fully leverage our finite resources and expertise across the four provinces. In short, by pooling our resources and transforming the WMP, we are becoming far more strategic and focused on the big picture – and working smarter, not harder.

4. Is this going to cost me more?

The WMP has short term, non-recurring costs to support the transformation and the establishment of the new governance model. These costs have already been included in the current year's budgeted cycle. There will be no other immediate new costs associated with the transformation. We are also aware of the financial climate and tightening of margins on dairy businesses. Policy harmonization, including the approach to harmonizing transportation policies, is keeping that in mind. It's clear – dairy farmers can't afford to pay more. In addition, while we're working on the harmonized transportation system, there will be no immediate changes to pooled freight rates. However, as per the current practice, provincial haulage rates may vary based on local fuel costs, milk volume, and delivery location.

5. Why is this important now?

There's more uncertainty about the future for dairy farming than ever before. The industry and market are changing. Consumer preferences are changing. We have to change. The status quo is not an option if we want to be more successful and profitable as an industry in five years. We must change to be more efficient and create a more attractive business climate through harmonized policies that better meet processor needs.

WMP will continue to evolve to ensure that pooled milk is providing the best return possible and in the most cost-efficient way. But increasingly it is the bigger picture that we are looking at. That means making proactive decisions and changes today to be better positioned for the future together rather than as individual provinces and individual western dairy farmers.

This really is a case of the whole is greater than the sum of its parts. By moving forward with a transformed, empowered WMP now, we are setting ourselves up for a much more successful future.

6. What are some of the priority initiatives being championed by the WMP?

The WMP is pooling staffing, resources, tools, and expertise from the five supporting dairy farmer organizations to enable more disciplined planning, management, and greater efficiencies for delivery of services in support of dairy farmers through key priority initiatives.

Knowledgeable and experienced leaders from across the west have been appointed as delivery managers for priority initiatives that include:

- Continuing to advance the Dairy Innovation West (DIW) project – the new state-of-the-art dairy concentration facility that will be built in Alberta, with the capacity to accommodate up to 300 million litres of milk from western dairy farmers per year.
- Aligning policies across the four western provinces – for milk quality, testing, animal welfare, and other on-farm practices to ensure farmers are treated equitably and there is consistency for processors.
- Forming a WMP transportation team to focus on efficiency and accountability to provide the best value and service to the industry – including a fully harmonized milk transportation system that meets the needs of both dairy farmers and processors through common transporter policies.
- Focus on Processor Relations and Business Development to better engage western processors while attracting new processor investment in western Canada – to efficiently drive innovation and capacity expansion.
- Establishment of an integrated communication function with pooled resources to ensure clear, consistent, responsive messaging on key topics related to WMP and the dairy industry and foster dialogue and engagement with processors, farmers, and all dairy stakeholders.
- As part of our ongoing efforts to drive excellence in dairy, we will combine our provincial resources and expertise to focus on research and innovation for increased sustainability and new product development.

These are some of the many initiatives being spearheaded with real momentum by the WMP right now. Details on these and other initiatives will be provided as we move forward.

The approach strengthens provincial service efforts, bringing more efficiency to operations, while ensuring the best resources and specialized expertise are now available to all western dairy farmers regardless of geography.

7. What's happening with the WMP's Dairy Innovation West project?

This continues to be our top priority. We are making excellent headway on the back-end groundwork that was needed to work through the various legislative requirements and different policies, procedures, and processes in each province.

This has been a massive learning curve and it has taken time to absorb the full complexity of what we have undertaken: taking four provinces, five organizations that have been established under four individual sets of governing legislation and all trying to borrow over \$60 million to build a new state-of-the-art facility that has never been built in Canada before. But those hurdles are mostly behind us and we will provide updates about next steps as soon as details are available.

8. What are the most important benefits?

While there are a great many anticipated benefits to all western dairy farmers, we also need to be clear: the Western Milk Pool is a forward-looking initiative. We are investing in the future of the western dairy industry and ultimately, in dairy excellence in Canada. The initiatives that are being championed by the WMP are all long-term with expected benefits coming over many months and in some cases years.

Tangible benefits that we do expect include the ability to attract new processor investment in the west, speaking with a unified voice in dairy stakeholder meetings at the national level, harmonized policies around important issues such as milk quality and transportation, and the ability to work together to deliver greater service value for all dairy farmers in the west.

We believe these and many other anticipated benefits are only possible if we pool our resources now and achieve new operational efficiencies.

If you have any questions or would like additional details on the WMP, please reach out to your Provincial contacts.