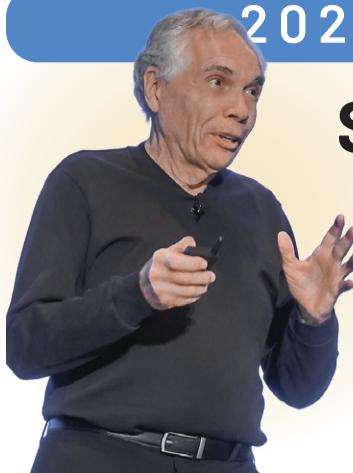


2025 BC DAIRY INDUSTRY CONFERENCE HIGHLIGHTS



Dr. Joe Schwarcz, Professor of Chemistry at McGill University

Amanda Poelman

In an age overflowing with information – and all too often, misinformation – Dr. Joe Schwarcz, Professor of Chemistry at McGill University, a media personality, and author, is touted for his commitment to scientific clarity. Aiming to help the audience “separate sense from nonsense,” Dr. Schwarcz blended scientific insight with wit, personal anecdotes, and a strong call for critical thinking. Misinformation, or what he called “a modern tsunami of quackery”, no longer lives on the fringes of tabloids but now permeates mainstream media, politics, and public discourse – especially on social media, where fact and fiction are often tangled.

“Misinformation no longer lives on the fringes of tabloids but now permeates mainstream media, politics, and public discourse – especially on social media, where fact and fiction are often tangled.

Addressing the dangers of social media-driven pseudoscience, Dr. Schwarcz critiqued popular figures such as “the People’s Chemist” and “the Medical Medium,” highlighting their unscientific claims about living “chemical-free” or offering medical advice through spirit mediums. He emphasized a foundational principle of toxicology – “only the dose makes the poison” – to underscore that chemicals themselves are neither inherently good nor bad. Using a green apple as an example, Dr. Schwarcz showed the ingredients list, which included everything you might expect, but also formaldehyde, acetone and isopropanol. He points out that this is what apples are made of at the molecular level, so should we stop eating apples? Of course not! He then showed the **numbers – the currency of science** – which shows that the amount of those three ingredients is so minuscule it would have no effect at all.

Staying on the topic of nutrition, Dr. Schwarcz debunked widespread myths surrounding food additives, dyes, and perceived dietary dangers. He challenged ideas promoted by influencers like the “Food Babe,” noting that unfamiliar or complex chemical names often describe substances that are common and benign, such as sugar. “There are obviously reasons we should cut down on our sugar intake, but its long scientific name is not one of them.”

In a dairy related example, Dr. Schwarcz talked about the link between dairy and cancer. Citing a geochemist from England who promoted the idea that reducing dairy consumption reduces the risk of breast cancer due to hormones in the milk, Dr. Schwarcz says, “Her only evidence was that in countries where milk consumption was low, rates of breast cancer were also low. But her ‘evidence’ is flawed because the level of hormones found in milk are trivial compared to the hormones we naturally produce in our bodies.” There are no scientific studies that have conclusively

Separating Sense from Nonsense: Navigating the Age of Misinformation

**Presentation by Dr. Joe Schwarcz,
McGill University**

shown any link between dairy consumption and cancer. Fearmongering, he argued, distracts from true scientific understanding, which must be rooted in evidence, context, and rigorous study rather than anecdote or intuition.

Looking ahead, Dr. Schwarcz introduced emerging technologies such as laboratory-produced milk created through precision fermentation and mammary cell culturing. He highlighted both the potential health advantages of these innovations and the social, cultural, and regulatory challenges likely to accompany them. Throughout his

talk, he returned to the importance of **context** in evaluating scientific claims, saying, “You can cherry-pick studies from whatever side of the argument you want to be on.” With conflicting studies and sensational headlines so common, he stressed the necessity of critical thinking to distinguish reliable evidence from noise.

In closing, Dr. Schwarcz advocated for stronger science education, particularly at the elementary and high school levels, arguing that fostering curiosity and teaching sound scientific reasoning early are essential for navigating today’s information-saturated

“Through skepticism, curiosity, and education, we can be discerning and help slow the spread of information, one critical mind at a time.



Most debates have data on both sides, allowing evidence to be cherry-picked to support nearly any argument.

world. Critical thinking is the key to knowing what truly warrants concern. Through skepticism, curiosity, and education, he suggested, we can all become more discerning consumers of information and “help slow the spread of misinformation, one critical mind at a time.”

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2025 BC DAIRY INDUSTRY CONFERENCE HIGHLIGHTS



President of the Western Dairy Council, Dan Wong spoke of progress among dairy stakeholders while emphasizing the need for speed in evolving the industry.

Tars Cheema

Dan Wong, President of the Western Dairy Council, has become a welcome regular at BC's Dairy Industry Conference. Both entertaining and thought-provoking, he cuts to the bone with his analysis and take-away messages. For this presentation on November 27, he painted a picture of stark contrast in 'pace of innovation' between the modern world and the need to keep pace in the dairy industry.

To illustrate his point, Dan started with the example of the new world speed-record set in Germany by the SU7 Ultra race car, achieving the fastest time ever recorded by an electric vehicle – but even more stunning is that the Chinese manufacturer was barely in the business of making cars for one year. Its origins? Building home appliances and cell phones!

ChatGPT, he continued, doubled users in under three months – from 400M in February to 800M users by April 2025. "That's less time than it takes to implement an annual price change in the Canadian dairy industry," he quipped, triggering sympathetic laughter from the audience.

"More than the magnitude and scope of change...it's the pace that matters," he emphasized.

Dairy's Resurgence

Despite the dairy alternatives and anti-dairy elements, Dan shared demand is up in Canada, Europe, the US and Australia. The most recent International Dairy Federation numbers revealed a more than 2% compound annual growth rate in global milk production over the past decade. "More interesting is the longer term forecast for the next decade following this same trajectory," he added. Dairy consumption is exceeding the rate that would be explained by normal population growth – essentially, more people are consuming more dairy over the world.

In Canada, all major dairy categories show increases in 'apparent consumption' according to CDC calculations, "even in some categories where over the past five years we saw decline," Dan said. At this same time, the demand for non-dairy alternative products appears to be leveling off – possibly the result of price sensitivity, nutrition confusion and market saturation, he said.

With food-inflation outpacing overall inflation, the price/affordability issue is significantly affecting consumer behaviour. The 'back-to-basics' response is prioritizing food spending (along with housing, transportation and utilities), shifting towards more natural or whole foods, while spending on non-essentials has all decreased.

Another growth segment is protein – and dairy's position is strong, including a growing number of new dairy products and fortified milk products labeled prominently with their protein content.

Only a few years ago, there was great concern for the costly problem of growing SNF surpluses due to a robust consumer appetite for dairy fat. "Recent modeling suggests declining SNF/BF ratios, among other factors, could significantly reduce the SNF surplus," Dan used graphs from the CDC and WMP. With changing dairy consumption trends and modified on-farm management practices, the SNF situation could stabilize by 2035-2036, Dan offered. But there are consequences, such as shortages of milk when BF demand is satisfied by lower shipped volumes. The concern is for the ability to adjust to the market needs in a timely manner without over-correcting. This was a significant shift in the market in just three years.

Recognizing the Staggering Pace of Change

Dairy's Obstacles and Opportunities

Presented by Dan Wong

Social and Demographic Influences

In a similar three-year time period, social and demographic changes have significantly impacted dairy demand. Statistics Canada data showed last year that beverage spending in Canada followed population growth. With declining Canadian birth rates, and in particular, the reduced immigration resulting from recent government policy changes, "we can expect some slowdown in dairy product sales, but don't expect the profile of consumer demand to change," Dan referred to the multicultural and multi-generational foundation of our consumer base. The diverse make-up of Canadian consumers drives the growth in new dairy products such as grass-fed ghee (clarified butter), saffron-flavoured ice-cream, healthy aging products and specialty infant formula, to name a few.

Even in traditional markets, Dan says evolving 'consumer values' are influencing the marketplace. From functional foods, to influencers, clean labels, lifestyle, convenience and more, these 'values' have the power to shape the dairy marketplace very quickly.

Dan also noted that processor needs are necessarily guided by commercial criteria which may not always align with the system's immediate needs. He referred to customer requests, transportation/distribution requirements, proximity to markets and ROI as some examples.

Product innovation is another area Dan described with enthusiasm. "Did you know the paneer in some of the big fast food vegetarian burgers is supplied from western Canada?" He continued with examples of yogurt and dairy ingredients from the west being marketed globally, and BC paneer being served to business-class clients on Emirates Airlines. "All of this speaks to the optimism in the industry."

Supply Chain Management

"How are supply chain dynamics changing the face of supply management in the dairy industry?

Markets are increasingly driven by customer-supplier relationships. As a result, we've seen a shift to a market-growth strategy," Dan explained. The collaboration is a priority for the Producer-Processor Consultative Committee, tasked

Market Growth Reflects Multi-Cultural, Multi-Generational Change

Canada's population:

- > 450 ethnic/cultural origins
- > 450 different languages spoken at home
- 19.5% of population is aged 65+
- 26.8% of population is aged 24 or younger
- 23% of population are immigrants (2021)

Source: Statistics Canada

Continued growth in demand for:

- Ethnic foods
- Infant nutrition
- Healthy aging
- Culture-specific foods (e.g., kosher)
- Lifestyle-oriented foods
- Functional foods

International Trade Chaos

"The pace of change is nowhere greater than when we consider international trade," began Dan. "It's just whacky." The audience of course was well-acquainted with the reference, as trade tariffs have been wielded chaotically all year with disruptive and destabilizing effects.

"Is Canada's dairy industry in the crosshairs? We have to assume it is," he continued. But it's likely that dairy would be deferred to the CUSMA talks in 2026. He further asked whether dairy could be facing an existential threat or perhaps is simply a bargaining chip in a broader campaign. Regardless, we must separate the substance from the noise and understand other countries' grievances, from market access to milk classification system, SNF exports and more, he said.

With the US administration relying on executive orders to decree trade rules, together with the president's tendency to repeatedly change his mind, the instability and unpredictability in the global trade arena creates caution amongst dairy processors when it comes to capital expenditures.

Dairy Processor Picture

Despite the continuous economic and trade uncertainty, Dairy processors have made robust investments in western Canada in recent years, and are committed to their business plans. Dan cited the new 'world-class' Saputo plant in Vancouver, the massive expansion of Vitalus' dairy ingredients plant in Abbotsford and the new ethnic-focused Punjab Milk Foods (Nanak brand) plant in Surrey, in addition to smaller, specialized processing plants.

"Western Canada remains an attractive region for processor investment, for a whole variety of reasons, not the least of which is the availability of milk and the strength of our dairy farming community," he underlined. He went on to recognize the value of the WMP in collaborating with processors to grow the market.

with setting the long term objectives for the Canadian dairy industry, among others. "The successful execution of a market growth strategy **must** include all segments of the supply chain, otherwise it won't work." Dan congratulated the WMP for recognizing the benefits of collaboration. He reiterated that the 'supply chain' extends far beyond just producers and processors – there are many stakeholders in an increasingly complex dairy sector, and all have legitimate needs/expectations.

Another aspect that impacts the entire supply chain is **social license**. These issues are not isolated to producers or processors but affect **all in dairy**. "Increasingly, social license issues are embedded in regulations, laws and most importantly from the processors' perspective, embedded in our customer contracts," he laid out. While **sustainability** broadly covers many topics, Dan pointed at greenhouse gas emissions reporting as a priority, as 'Scope 3 emissions' must be reported from upstream suppliers. "That's a real challenge in the dairy industry," he acknowledged, asking how to account for emissions from individual farms when milk is supplied collectively (from the pool) to processors. He is hopeful that recent DPAC - DFC collaboration can make progress on this issue as "we don't have a lot of time."

On animal welfare, Dan said the popular tactic of activists is to 'name names' and go after the big recognizable brand name, not necessarily individual farms. The bigger the brand name, the bigger the clout in public opinion.

While dairy industry changes may not have the speed of a race car, the significant changes presented have taken place across every segment of the industry in the last three years (or less).

"We should expect the pace of change to continue and even speed up in the year to come, because of other factors like AI or more intense geo-politics. The rule is, market forces always move faster than policies and institutions. Issues are no longer segmented – they belong to all of us. My appeal is – **we need to pick up the pace.**"

2025 BC DAIRY INDUSTRY CONFERENCE HIGHLIGHTS



International Dairy Federation

Shaping the Future of Dairy Worldwide

Presented by Gilles Froment, President, IDF



REPRESENTING THE ENTIRE DAIRY SECTOR



- Dairy Farmers
- Milk processors
- National dairy organizations
- Academia/non-profit research institutes
- Government (Ministry of Agriculture)
- Suppliers
- Milk Sector Employees

Amanda Poelman

Building on his presentation from last year, Gilles Froment, President of the International Dairy Federation (IDF), spoke about the role IDF plays in the global dairy industry. The Federation brings together many different groups – such as farmers, dairy processors, governments, researchers, and suppliers – to support good practices, reliable science, and informed decision-making across the sector. With members in 40 countries, the IDF also works closely with international partners like the FAO and Codex to help set common standards and encourage more sustainable dairy production.

In his first year as President, Gilles set his sights on updating IDF's strategic plan to "better respond to today's challenges in dairy." The plan focuses on sustainability from several angles: economic, social, environmental, and nutrition, along with animal health and innovation. The IDF aims to adapt its work to different regions,

build trust and cooperation across the dairy sector, and support volunteers who contribute through committees and working groups.

Gilles spoke about the wide impact of dairy worldwide, noting that it provides nutrition for six billion people and generates livelihoods for one billion, which is why "we need to show everyone the role that dairy has in nourishing the world." At the same time, he acknowledged that the industry faces different challenges in different regions, which means solutions need to be tailored locally. He pointed to tools like the Dairy Sustainability Framework, sustainability reports, and practical guidelines that help reduce waste and emissions, including measuring carbon footprints.

In closing, Gilles highlighted the positive outcomes of the recently completed World Dairy Summit in Santiago, Chile, which recognized continuous innovation across the dairy sector. The 2026 Summit will take place in New Zealand, while the 2028 edition will be hosted in Quebec City.



Lactalis Canada: Growth, Innovation, and Collaboration

Presentation by Gilles Froment, Senior VP, Lactalis Canada

Amanda Poelman

After a brief intermission to highlight BC Dairy's partnership with Children's Hospital, Gilles Froment was back on stage, this time in his role as Senior Vice President of Lactalis Canada. Standing in for Lactalis President and CEO Mark Taylor, Gilles expressed Mr. Taylor's regrets for his absence and his enthusiasm for engaging with partners, farmers and government leaders.

A significant brand in Canada, Gilles highlighted the 4,500 employees, 21 brands, and 30 operating sites that make up Lactalis across the country. The company processes 2.2 billion litres of milk annually (25% of Canadian dairy products), and contributes \$2.9 million back to various communities, including a \$100,000 donation to BC food banks in 2025.

Strong partnerships between farmers, processors, retailers, food service, and government are key. The links depend on each other for success.

His presentation centred around Lactalis Canada's commitment to five guiding principles:

1) Stay committed to the North Star – For Lactalis, the 'North Star' is the Canadian consumer. "You as producers are constantly facing challenges provided by the consumer. As processors, we feel the same pressures," Gilles said, noting that every decision ties back to the main goal: providing a safe product that Canadians can trust.

2) Listen to the Consumer – Listening and adapting to rapidly changing consumer preferences continues to be a priority for Lactalis. Over the past year, there has been a 21% surge of growth, particularly in yogurt, as consumers seek high-protein dairy products. "Dairy is a natural source of protein that consumers trust," said Gilles. Lactalis responded to these demands by launching new lines and enhancing existing products such as ultra-filtered milk and high-protein shakes. They also expanded their lactose-free options and indulgent products (Krema yogurt line), aligning with trends in health, convenience and enjoyment.

Gilles also commented on the trends in food service as operators are confronted with rising costs while consumers seek affordability without sacrificing quality. That **quality** is a major factor influencing choice right now, and Lactalis proudly displays the "Blue Cow" on over 800 of their products as a symbol of Canadian milk and quality assurance, which has garnered 500 million consumer impressions annually.

3) Communicate our Shared Vision – "It is important to communicate with government and stakeholders about our long-term vision and goals," said Gilles. "Fostering collaboration will only become more important in the years ahead." While change can sometimes feel unsettling, Gilles believes that change pushes us to come up with creative solutions on how we work together at all levels. "Problems cannot be solved in isolation," he says of climate change, food affordability, tariffs and labour shortages. "Strong partnerships between farmers, processors, retailers, food service, and government are key. The links depend on each other for success."

4) Build Trust – Connected with the ideas in principle #3, establishing frameworks for fairness and stability will only strengthen our industry. Gilles highlighted the 'Grocery Code of Conduct,' a set of principles designed to ensure transparent relationships between retailers and suppliers. While voluntary in Canada currently, Gilles sees its adoption as "pivotal to fostering resilience" since it focuses on efficiency and long-term goals rather than short term pressures.

5) Embrace Innovation with Purpose – Lactalis places a strong emphasis on innovation for long-term sustainability. Gilles highlighted the Delta yogurt facility, recognized with the 2025 Outstanding Workplace Award, which sends all its waste to Seabreeze Farm, where it is converted into energy that heats 500 homes in the area. He also highlighted the new distribution centre in Oshawa, ON, the largest in Lactalis' global network, which showcases energy-efficient and zero-carbon-ready infrastructure. "We are only scratching the surface of what innovative projects are out there," said Gilles. "Digital awareness is important; understanding what technology can and cannot do allows us to make smarter decisions and execute more effectively."



Protein is on the rise, particularly a surge in yogurt. Siggi's was the fastest growing Lactalis brand in 2025.



Focusing on consumer trends means expanding and enhancing product lines.



Waste from Lactalis' Delta yogurt plant is converted to energy through the biogas plant at Seabreeze Farm, powering 500 homes in the area.

2025 BC DAIRY INDUSTRY CONFERENCE HIGHLIGHTS

Improving Transportation Excellence & Efficiencies

Presentation by Intishar Jashim,
Manager of Operations, BC Milk Marketing Board

Amanda Poelman

Continuing discussions that began during the Fall Producer meetings, Intishar Jashim, Manager of Operations, discussed the significant transportation challenges facing BC dairy producers. High hauling costs, geographical terrain, supply chain risk, increases in milk processing volume, and small "niche" processors, all contribute to the ongoing challenges.

The Transportation Advisory Committee (TAC), with representation from producers, processors and milk board staff, was formed in January 2025 to address transportation inefficiencies outlined in a Western Milk Pool study by Deloitte Canada in 2024. Intishar detailed the work of TAC, outlining stakeholder engagement, consulting efforts, and the need to review and update transportation policies to drive efficiencies.

The first step saw review of current BCMMB policies such as B-train discounts, every day pick up, non-Sunday shippers, and minimum delivery litres. "We have policies in place from years ago and we are trying to validate if these policies are still applicable," said Intishar. "We are finding that some discounts (for B trains and everyday pickup) might not be doing what they were intended to do." He also noted the serious inefficiencies of minimum delivery litres, saying "Haulers have to put milk in separate compartments since

most small processors don't have meters, which is difficult because haulers are then traveling with empty space."

Where Network Optimization is concerned, consideration is being given to opening pickup windows for producers and receiving windows for processors, as well as flexibility in pickup frequency at farms. Carrier zones are being examined to determine if there's an opportunity to break up large zones like the Fraser Valley, making transportation within those zones more efficient.

Investment in both producer and processor infrastructure – such as adding a second bulk tank or expanding milk silo storage – would need to be reviewed based on Return on Investment (ROI) analysis. Other investment ideas include having large producers directly load a B train that simply needs to be picked up, thus saving time on unloading a bulk tank; or having the milk board invest in their own transportation trailer and tanker assets, rather than a carrier.

Intishar highlighted the need for a "Balanced Scorecard" which would provide a framework



Intishar Jashim, Manager of Operations, BC Milk Marketing Board.

used to track and measure financial and operational key performance indicators. This increases system visibility and accountability for stakeholders. Within the Western Milk Pool, standardized processes to ensure consistency in milk quality during transportation, while also harmonizing transporter rate formulas across the four western provinces, would be beneficial.

"We know that we do have a lot of issues with our current system, but that actually means we have a lot of opportunities as well," Intishar concluded, promising that TAC will "leave no stone unturned" as they prioritize their recommendations to the board. The goal is to create a more efficient, sustainable, and collaborative transportation system to support all stakeholders as the industry grows.

Regional Challenges



Transportation challenges facing BC producers.

Dairy Markets and Opportunities

Tracking Consumer Patterns

Presentation by Jennifer Woron
Executive Director of Market Development, BC Dairy
and Zahra Abdalla-Shamji
Executive Director, Policy & Industry Affairs, BCMMB

Tars Cheema

BC Dairy's Jennifer Woron and BC Milk's Zahra Abdalla-Shamji have collaborated many times in past years, but a new level of synergy emerged when the two dairy organizations began sharing the same office space two years ago. At the 2025 BC Dairy Industry Conference, in a novel approach, the two tag-teamed a presentation that examined the same dairy marketplace from their two different vantage points.

BC Dairy's primary role is to support market growth by reinforcing public trust while monitoring consumer trends and driving partnerships and promotions. BC Milk's primary role is to manage the market supply – matching supply with demand and handling the processor orders.

On the front lines of the dairy marketplace, the marketers are looking for predictors of shifting demand by watching consumer behaviours and cultural factors that could further influence them, Jennifer explained. Zahra described that economists are looking to manage supply and demand through policy which by nature is in response to and lagging behind the consumer consumption trend.

Their main theme was understanding how dairy policy is shaped by consumer demand shifts resulting from changes across our population.

Economic and Social Forces

Fifteen years ago, milk consumption was declining as more people were 'eating' their dairy than drinking it, but the trend reversed since 2022. The pandemic ushered in a new pattern of more home-based consumption, but lately, milk's upswing has more to do with population growth, more interest in protein, 'wholesome foods,' 'back to basics' purchase patterns influenced by food inflation and a patriotic response to the tariffs/trade war.

In BC, it's the **innovative** categories in fluid milk that have seen the most gain – lactose-free,

In a parallel demonstration, Zahra showed a CDC slide which quantified the country's dairy demand overall. This is a particularly useful mechanism showing the impact of consumer trends on the demand side of dairy, which further informs milk boards regarding policy changes.

Interestingly, while dairy alternatives (almond/oat beverages dominate) remain significant competitors to milk, they have lost 11% sales since 2021. "We believe cost, taste and competition are key factors in the sales decrease," Zahra shared.

Protein and GLP Drive Dairy

Quoting a major food and health survey, Jennifer said, "High protein diets were the most popular, with 71% of respondents saying they plan to increase protein intake in 2025. Dairy is well-positioned to meet this demand for protein." Jennifer explained that the demand is broad – spanning across all age segments from aging consumers looking for muscle-support to youth looking for protein-rich sports recovery drinks, as examples.

Jennifer spoke of how the sudden rise in use of GLP-1 weight loss drugs (Ozempic/Wegovy) – in a bit of an unexpected plot twist – are weighing heavily in the protein boom. "The number of Americans on these weight loss drugs jumped from about 200,000 in 2021 to more than 4 million in 2024," Jennifer showed. A similar trajectory is expected in Canada, particularly with the coming pill-form making it more accessible. Users need "healthy, functional proteins, the kind found in yogurt," Jennifer continued.

Growth in yogurt and soft cheeses has been steady since about 2018, but both categories picked up speed in the last two years, confirming GLP's influence, Zahra explained.

What About Fat?

While GLP spells good news for protein-dairy categories, where does it leave the higher fat dairy products – butter and cheese? Jennifer indicated that demand remains steady for full fat dairy, so it's not a return to the 'fat-free' trend of the '90s. Zahra recounted her start at the Milk Board nearly 20 years ago on the 'BF Working Group' which was tasked to get BC's butterfat **up**. "Butterfat levels have been rising steadily nationally for two decades, indicating a shift in production and in consumer demand," Zahra said. And it continues to be a very positive trend. They are however monitoring the situation to understand if the demand will soften going forward.

Interestingly, lower fat milks have given up ground to whole milk over the last 10 years, Zahra's graph showed. While 2% remains the most popular nationally, whole milk exceeded 1% milk consumption in 2023.

Zahra's final slide showed dramatic growth in total butterfat demand since 2015, and so far, there appears to be no leveling off.

Jennifer distilled their approach – watch for the changes in consumer behaviour and to understand early if it's a temporary 'blip,' whether it becomes a trend for a period of time, or is it a lifestyle shift that will become long-term, normalized behaviour. Zahra reinforced that regulatory actions are taken at the 'trend' level, when industry makes investments to sustain the market demand. "The protein era is already behaving like a lifestyle change, requiring us to have policies in place to ensure we have enough milk in the system to meet butterfat and protein demand at the same time," Zahra summarized.

Their parting comments spoke of a much faster-paced consumer marketplace that requires more 'real-time' monitoring and nimble reaction from policy makers and everyone in the supply chain (including producers) to respond most effectively to changing demands.

