2016-17 STRATEGIC PLAN

Preamble

The format for the plan includes a number of strategic priorities that have been identified to set the direction of the organization. For each of the strategic priorities, there are a series of goals and objectives identified to outline the approach that will be undertaken to address each specific strategic priority. DFO’s working plan is a separate and complementary document to this strategic plan, whereby operational goals and tactical details are identified.

The definitions that are being used for each of the main components are as follows:

- **Mission** – is the purpose, the reason the organization exists;
- **Vision** – is what we want the industry to look like in the future;
- **Operating Principles** – are the guidelines by which people within the organization operate on a daily basis;
- **Core Values** – are the principles that guide our internal conduct with each other as well as with our external stakeholders;
- **Strategic Priorities** – are the statements setting out the direction of the Board’s commitment;
- **Goals** – are the statements of major approach on how to achieve the stated objectives;
- **Objectives** – are the statements of what we plan to achieve.

Mission, Vision, Operating Principles and Values

**Mission Statement**
To provide leadership and excellence in the production and marketing of Canadian milk.

**Vision Statement**
A dynamic profitable growing Canadian dairy industry.

**Operating Principles**
In order to achieve the vision, Dairy Farmers of Ontario (DFO) is deeply committed to the following operating principles:

- an orderly milk marketing system based on effectively managing borders, production discipline, and a combination of cost of production and market based price setting;
- the responsible use of the powers delegated to it under the Milk Act of Ontario, including a clearly defined process governing policy development;
- putting the collective good of the industry ahead of individual producers;
- fair and equitable application of policies;
- the provision of the opportunity for efficient producers to earn a reasonable return for their labour, management and investment;
- the understanding that DFO is governed by an elected board of dairy farmers, processors are its customers and consumers determine its market;
- the production and marketing of safe, high quality milk and dairy products;
- working proactively with its national, provincial and pool partners to advance the Canadian dairy industry.
Core Values
DFO has a set of core values that guide behaviour, underpin-operational activity and provide focus to the organization. They include:

- **Leadership** – We lead by committing to continuous personal and organizational development.
- **Trust** - We create, build and maintain trust by being honest, open and transparent.
- **Respect** – We listen, accept differences and work together.
- **Integrity** – We are consistent in our actions and values.
- **Teamwork**– We help each other succeed through collaboration.
- **Fairness** - We ensure equitable application of rules and benefits.
- **Accountability** – We hold ourselves and each other responsible for delivering results.

Strategic Priorities

1. To grow the market for Canadian milk and dairy components.

2. To have a domestic supply management system that effectively addresses current market conditions.

3. To strengthen and develop organizational processes, resources, and tools for succession management.

2016-17 Goals and Objectives

**Strategic Priority 1**

**To grow the market for Canadian milk and dairy components.**

**Goal 1a**
To increase quota issued to producers by a minimum of 2% through market growth strategies.

**Objectives:**
- To increase quota without decreasing overall revenue.
- To ensure there is enough milk in the system to meet and lead market growth.

**Goal 1b**
To ensure promotional dollars deliver a positive return on investment that is consistent with quota growth goals through a written agreement with DFC.

**Objectives:**
- To ensure DFO gets best value through clear measures and transparency for promotional and marketing activities, including Return on Investments (ROI).
- To ensure alignment between DFO and DFC on goals for growth.
- To ensure transparency and accountability with DFC activities.
**Goal 1c**
To initiate the development, presentation, and implementation of a production signal model that enables effective market forecasting.

**Objectives**
- To have enough milk in the system to enable growth and innovation.
- To use market intelligence for assessing and leading the demand for milk and milk ingredients.
- To determine how to collect and effectively utilize current data from retail and food service.
- To incorporate current market needs in CDC’s forecasts in order to issue quota through the P5.

**Goal 1d**
To implement, and pilot projects through an innovation hub.

**Objectives**
- To have national and provincial policies and programs that enable market growth.
- To assess the trends, the risks and opportunities for new dairy products.
- To provide a shared risk environment to introduce new products and processors in the market.

**Goal 1e**
To create innovative labelling packaging options for fluid milk for processors to improve the dairy profile for consumers.

**Objectives**
- To build consumer awareness for dairy protein.
- To communicate the benefits of dairy fat and nutrients to consumers.
- To create an environment that appeals to consumers.

**Goal 1f**
To revise the programs and policies for growth, innovation and equipment commission testing.

**Objectives**
- To aid in growth and innovation.
- To be proactive in current market realities.

---

**Strategic Priority 2**

To have a domestic supply management system that effectively addresses current market conditions.

**Goal 2a**
To enable processor and producer growth and investment in infrastructure.

**Objectives**
- To ensure there is enough milk in the system to meet market needs.
- To create an environment for growth opportunities and maintain market share.
- To modernize the market environment for milk and dairy ingredients in Canada.
- To obtain government support for processor infrastructure investment.
Goal 2b
To implement the proAction program to producers per DFC’s national proAction integration plan.

Objectives
- To have integrated farm management practices.
- To build creditability and transparency with customers and consumers.

Goal 2c
To make a recommendation to DFC on developing and implementing a proAction consumer communications strategy, and communicate the progress to DFO producers.

Objectives
- To communicate the benefits of proAction to customers, consumers and producers.
- To enhance the Canadian brand to consumers.
- To enhance producer buy-in for proAction.

Goal 2d
To develop a standard communications format to be used between partnering organizations when sharing information and making recommendations.

Objective
- To strengthen DFO’s effectiveness when working with partner organizations.
- To enhance informed decision-making.

Goal 2e
To develop a method of sharing current market information and the impact of the ingredient strategy in a condensed easy to understand format for producers.

Objectives
- To allow for effective business planning for producers.
- To increase trust and transparency between DFO and producers.

Goal 2f
To facilitate the effective implementation of the ingredient strategy nationally.

Objectives
- To have a uniform application of the national ingredient strategy agreement consistent with DFO’s objectives.
Strategic Priority 3
To strengthen and develop organizational processes, resources and tools for succession management.

Goal 3a
To complete the development, testing and training of the application framework for launch in 2017.

Objectives
- To have an information technology system that effectively and efficiently serves the business needs of DFO and its users.
- To have an information technology system that is easily adaptable to the evolving needs of the business.

Goal 3b
To enhance producer communication by increasing reach of audience through frontline points of contact.

Objectives
- To increase trust and transparency between DFO and producers.
- To have informed and engaged producers.
- To ensure consistent and accurate producer communication.

Goal 3c
To implement DFO’s succession strategy to meet the changing needs of the organization.

Objectives
- To ensure strong and effective leadership.
- To mitigate risks of knowledge loss.
- To ensure business continuity through effective resource management.
- To ensure optimal talent management.