



# NOVALAIT CELEBRATES ITS 20<sup>TH</sup> ANNIVERSARY

## RESEARCH FOR INNOVATION

Novalait is a key partner of the dairy research. All our projects meet the needs identified by our shareholders and are selected according to the potential benefits on the farm and in the plants. Our applied research provides the information needed to improve production practices and milk processing methods. For example, Novalait did not discover the short dry period but provided answers on the impact on commercial farms that a 35 days dry period management can bring on the next lactation, the udder health, the reproduction and the economic benefits in a supply management environment. In another pilot farm project, a new selective dry cow treatment protocol has reduced by 25% the use of antibiotics without increasing the incidence of mastitis. The evaluation of new models continues with a project on the adjustment of the milking during the transition period to better control the negative energy balance. Moreover, recent Valacta formations on the management of forage and cow comfort provided access to several other results of our researches.

On the side of the dairy processing, the success of the first project supported by Novalait on the factors responsible for the quality of the Mozzarella cheese paved the way for many other projects generating a better knowledge of dairy matrices and quality control tools. The discoveries and the highly trained professionals in large extent projects like the industrial research chairs on whey proteins, on cheese typicity and on eco-efficiency benefit the large as the small enterprises of milk processing. These examples of partnership projects, grounded to the reality of dairy farms and dairy plants, are the signature of Novalait.

## A SMALL ORGANIZATION WITH A LARGE IMPACT

In 20 years, Novalait invested in 100 research projects for a total worth of \$41.2 million. For every dollar invested in research, Novalait has matched three dollars of private and government funding through partnerships. The Novalait research portfolio is diversified and account both targeted projects on pilot farms and provincial and national level initiatives.

In 1995, dairy farmers and dairy processors have begun to invest in research up to 1¢/hl. In 2012, this contribution was indexed and is now 1.27¢/hl. The annual contributions of farmers and processors have been converted into share capital of Novalait which amounts to \$12.2 million today. Thanks to developed funding partnerships, the Novalait's shareholders have a research portfolio value of \$41.2 million, or almost four times the value of their investment. The potential benefits from the implementation of research results on farms and in plants are estimated at \$600 million, or 15 times the total value of research.

**“One of the biggest success of Novalait is, without any doubt, the pilot farms network who enables the realization of nine projects on commercial dairy farms directly.”**



MR GILBERT RIOUX, DAIRY FARMER AND ADMINISTRATOR OF NOVALAIT FROM 1997 TO 2015

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**“The pre-commercial research is the research that industry cannot afford.”**

MR MICHEL DORÉ, DIRECTOR OF TECHNICAL SERVICES AT PARMALAT

## THE DNA OF NOVALAIT: GATHER THE DAIRY FARMERS AND THE DAIRY PROCESSORS

In 1995, it took a good dose of boldness and a strong vision from the founders of Novalait (photo 1) to bring together all dairy farmers and dairy processors of Quebec within an organization devoted to research. Novalait was created in a context of declining market share. There was an urgent need to stimulate innovation in the farm management, in the milk processing and in the development of new products. In a rapidly changing environment that challenges farms and industries, the Novalait’s researches are more than ever a competitive advantage.

Novalait includes among its three groups of shareholders; Les Producteurs de lait du Québec, Agropur cooperative, and Le Conseil des industriels laitiers du Québec (CILQ). The business model of Novalait, bringing together farmers and processors in equal parts, is the key to our success today.

Research and development activities are becoming more and more expensive and companies are turning to open innovation to generate new ideas, solve problems and improve practices. Within Novalait, the risks, the costs and the results of research are shared. Mr Michel Doré, director of technical services at Parmalat, summarized the positioning of Novalait: “The pre-commercial research is the research that industry cannot afford.”



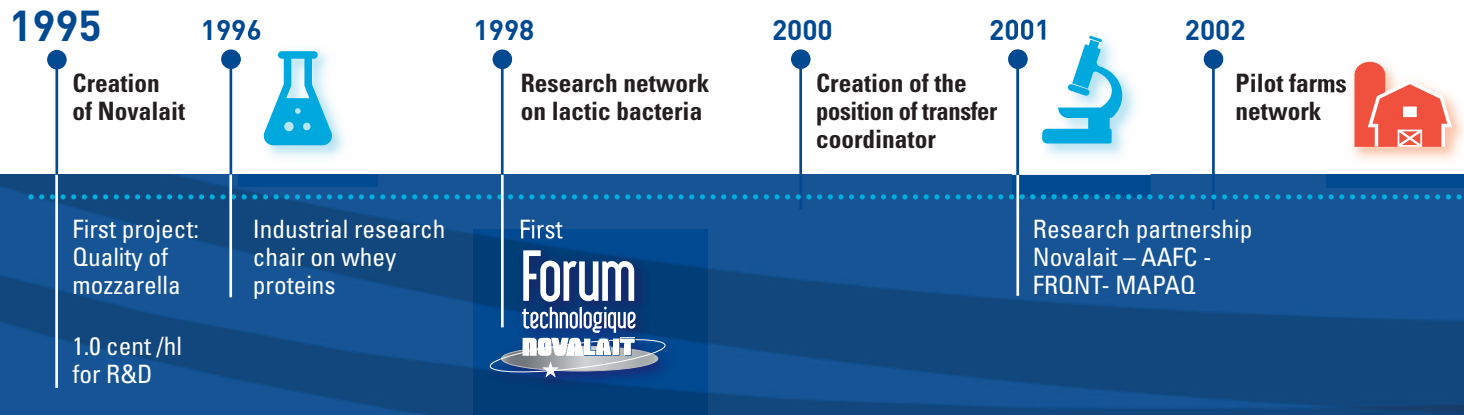
**The founders of Novalait** - From left to right : Mr Gaston Lajoie and Mr Dimitri Fraeys de Veubeke, representing the Groupe Lactel since who is no longer in activity. Follow; Mr Claude Lambert and Mr Donat Roy for the CILQ; Mr Alain Bourbeau and Mr Jean Nobert for the Fédération des producteurs de lait du Québec, now Les Producteurs de lait du Québec. Finally, Mr Jacques Cartier and Mr Robert Poirier, representing Agropur coopérative.

## A FESTIVE MEETING TO CELEBRATE 20 YEARS OF INNOVATION

To formally celebrate its 20<sup>th</sup> anniversary, Novalait brought together, on April 29<sup>th</sup> 2015, more than one hundred shareholders, researchers and partners for project funding and transfer. In an original roundtable formula, three representatives of Novalait’s shareholders talked about the realizations and successes through the 20 years of the organization.



# NOVALAIT IN 20 YEARS!





From left to right: Mr Charles Langlois (CILQ), Mr Michel Pouliot (Agropur coopérative), Mr Gilbert Rioux (PLQ) and Ms Élise Gosselin (Novalait).

According to Mr Alain Bourbeau, founding member and director at Les Producteurs de lait du Québec the success of the partnership between farmers and processors from the creation of Novalait took root in the many working committees of the dairy sector. The ability to consult the different groups that make up the shareholding of Novalait, notably to establish research priorities, is a force that was also highlighted. These research priorities

are well grounded to meet the real needs. In an environment where knowledge is an issue of competitiveness, Mr Claude Lambert, founding member and former director of CILQ, mentioned that the benefits of sharing costs and risks were key elements that have rallied the industries to jointly invest in research.

Among the impacts of Novalait, the participants pointed out the proximity of world-class researchers with whom trusted connections were built. "We receive an answer from world-class researchers within few hours after a call," explains Mr Michel Pouliot, R&D Vice President, Agropur cooperative. This close relationship is another guarantee of the success of Novalait. The Industrial research chairs initiated by Novalait have also helped to create seven new researcher positions in strategic areas.

All our projects trained professionals, they are more than 350 to have met the scientific challenges of the dairy sector. Several speakers pointed out the value of this highly qualified staff for their organization.

Mr Ould Abdel Ali Baba, CEO of the Centre d'expertise fromagère du Québec, mentioned in his testimony for the 20th anniversary: "Novalait is for us, the small cheesemaker, a key stepping stone of the scientific knowledge in Quebec and it is up to us to seize the opportunities and to integrate the scientific culture and innovation in our cheese." As for Mr Gilbert Rioux, dairy farmer and Novalait administrator from 1997 to 2015, one of the greatest achievements of Novalait is undoubtedly the pilot farms network that enabled the realization of nine research projects on commercial dairy farms.

**INNOVATE FOR THE LONG TERM**

Building on its achievements, Novalait moves confidently into the challenges and opportunities of the next 20 years. In the short term, Novalait is preparing a new strategy for communication with its shareholders and revise its transfer model. Novalait also continue the development of partnerships to fund research in a broader horizon, to the best benefit of its shareholders. Knowledge and innovation are an engine of the economy and is a competitive advantage for industry. The strength of the links developed between its shareholders and the impacts of 20 years of action from Novalait will be valuable to a sustainable future.

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MR MICHEL POULIOT,  
VICE-PRESIDENT R&D,  
AGROPUR COOPÉRATIVE

