



2014-2015
Annual Report



Our Vision

Milk, forever at the heart of a healthy community.

Our Mission and Guiding Principles

We are the people of British Columbia's dairy industry:

We are Champions.

We encourage the consumption of milk and milk products as part of a healthy diet.

We are Guardians.

We proudly defend and advance the supply management system and policies that contribute to the stability of our industry.

We are Stewards.

We ensure dairy farming delivers a positive impact on our community and we work to preserve a sustainable, valuable and ethical industry.

We are Advocates.

Through outreach and engagement, we are at the centre of local and national dialogue about milk and our industry.

We are Leaders.

We are responsible for the future of the dairy industry and its contribution to the economy, health and culture of British Columbia.

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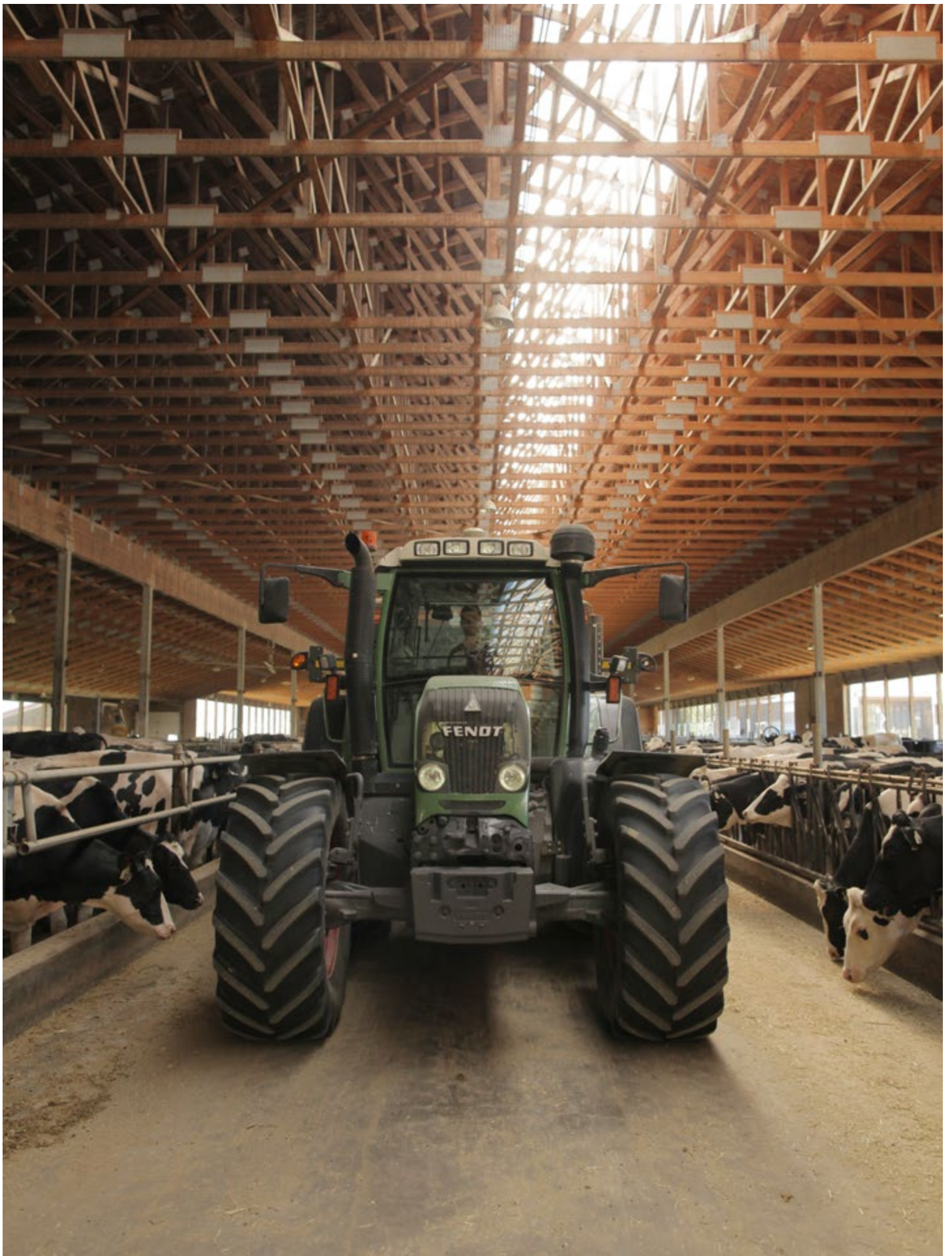
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Chairperson's Message

As I write this Winter Report for 2015, the dairy industry is waiting to hear if a final deal will be achieved with the TPP. Dairy Farmers of Canada (DFC) and its representatives are currently in Atlanta, and it is expected that this meeting will mark the conclusion of the negotiations. We are looking forward to seeing whether the government will stand behind its promise that there will be a robust supply management system in Canada, which will be sustainable for the next generation of farmers. During the recent debates and negotiations taking place, it has been encouraging to see dairy farmers speaking out about the importance of our current system, and I particularly laud young producers stepping out with concern to voice the benefits of our industry, and the many reasons to deny any more foreign concessions on dairy. We cannot take our industry for granted. It was built with great effort, and must be maintained and improved with great effort. I encourage continued involvement in the BC Dairy Association (BCDA), in order to give a collective voice and focus to our industry in this province.

This summer BC Dairy had the privilege of hosting the Dairy Farmers of Canada AGM. It was a great event! During this meeting all of the pillars of proAction were presented and voted upon with overwhelming support. Roll-out will happen now according to the schedules that have been developed, with the exception that in BC we will roll out the 'Animal Care' pillar on an accelerated basis. Earlier this year we held workshops throughout the province on animal care, and we continue to offer assistance to producers in implementing all the requirements of the program on their farms.

BC Dairy continues to work on many different programs on your behalf. This annual report contains updates on marketing, nutrition education, producer services, community engagement, dairy research and education, and financial reports. Take the time to read through this report and give your feedback to the directors who represent you.

In conclusion, I am glad to be part of a dynamic industry. I want to thank those at BC Dairy who work hard on our behalf. I also want to express thanks to all producer groups who are working hard in their regions to advance our industry. Keep up the good work!

On behalf of BC Dairy, I wish you all the best in the holiday season ahead.



Dave Taylor



Executive Director / CEO's Message

We did it! It took one year but we managed to secure BC Dairy's commitment to implementing the National Dairy Code of practice as part of proAction; collaborate with the BC Minister of Agriculture to have the Dairy Code referenced in Regulation; and sign a Memorandum of Understanding with the BCSPCA. This demonstrates our commitment to our industry, government and customers that our cows will be well cared for to produce the highest quality, safest milk, ever.

I feel this strategy worked very well in our favour, as the animal activists can't hide behind their true agendas to scare people into a meat-free diet by claiming our animal husbandry practices and authorities are inadequate. For those of you who have supported our efforts this past year, BCDA staff is grateful for your trust as we maneuvered through all the details.

Of course, the past year has involved many other activities and they can be found in this report. What you'll notice is the BCDA has focused extensively on building collaborative relationships with other not-for-profit organizations and finding ways to leverage our strengths so we can build a stronger agriculture sector.

While we in dairy strive to get more fluid milk consumed each year, we recognize that dairy is part of a healthy diet we eat everyday. So we work at many levels (with government, educators, health professionals, processors, retailers, etc.) to encourage and advertise the relevance of dairy as an economic driver; encouraging local food sales and educating consumers on nutritious eating habits for a healthier lifestyle.

With so many tasks at hand it is sometimes difficult to feel like progress is being made. Fortunately, the example of the National Dairy Code and its impact throughout the sector is an example of how collaboration gets people onto the same page.

This same principle is working in other areas. Two examples include: securing *We ♥ Local* as a financially sustainable venture by working with the BC Agriculture Council, and building better regulations on manure storage practices with FARSHA and Worksafe through collaborative research in determining whether dangers really do exist.

There are numerous other examples taking shape — all in an effort to fulfill our vision and mission.

May I wish you and your families all the very best this Christmas season and on behalf of the staff at BCDA, thank you for your continued support and encouragement.



Dave Eto

Nutrition Education





Mini Food Grants

Each year, BCDA awards mini food grants to teachers using one of the BC Dairy nutrition education programs. The grants help teachers purchase food ingredients to enhance their nutrition education lessons.

In order to be eligible for a grant, applicants must share how they would use the money to complement the BCDA program they are teaching. In the 2014-2015 school year, we awarded a record 151 grants to teachers across BC. This was double the number of grants offered in the previous year. The majority of the award recipients were teaching children in the primary grades.

A large meta-analysis published in 2015 noted that hands-on nutrition experiences in the classroom led to improved student health behaviours. You can't get more hands-on than bringing food into the classroom! In fact, throughout the school year, we receive emails, letters and photos from teachers confirming the impact these grants have. In the words of one teacher, "We learned a great deal...working through [the BCDA nutrition program]. But there is nothing like the authentic experience of hands-on learning in the kitchen. Kids were able to explore [and] discover new healthy food experiences they can share with their families..."

The *Mini Food Grant Program* proved to be a successful marketing tool to get more teachers to participate in BCDA nutrition education workshops. Many teachers who applied for the grant, but were not eligible (i.e. not using a BCDA nutrition education program), were encouraged to participate in a workshop so they could gain access to the nutrition education programs. This led to an increase in the number of workshops offered during the 2014-2015 school year.

Following on the success of the *Mini Food Grant Program* during 2014-2015, we will increase the number of grants offered during the 2015-2016 school year. As well, instead of one intake of applications during September, we plan to offer a second application window in January to encourage more participation in our nutrition education programs.

Nutrition in Schools

Teacher Research

BCDA, along with Alberta and Manitoba, conducted research into teacher engagement in nutrition education. Nutrition educators in all three provinces noticed a decline in attendance at teacher workshops during the last several years. While the lead-up to the BC teacher strike in fall 2014 certainly had an impact on the number of teacher workshops given in BC, we were concerned that the problem may have reflected other issues too.

BC had the highest number of completed surveys among the 3 provinces, with 343 completed surveys representing 188 schools. This meant we more than attained statistical significance and could count on the results of the survey.

Research revealed that multiple factors affect teacher engagement. Teachers overwhelmingly prefer to attend workshops on school time rather than their own time. Professional development days are the obvious first choice, but these days are limited, and many are taken up with administrative matters. While BCDA does offer workshops on professional development days, the majority of our workshops are delivered after school hours. We plan to seek new opportunities to offer workshops during the school day. Another important factor affecting teacher engagement is that nutrition competes with numerous other topics for professional development, chief among them, literacy. Given the constraints of the system, workshop promotion seems to be an important means of improving teacher engagement.

We were curious to know if teachers prefer webinars or other new technology means of delivering professional development. However, the survey results reconfirmed teacher preference for face-to-face workshops, the method most often used by BCDA. BCDA does offer alternative means of delivering workshops for the most remote locations, usually via phone or Skype.

It was gratifying to learn that teachers still identify BC Dairy nutrition education programs as one of the two top resources for BC teachers who want to teach nutrition. The report also provides insights into how we could adapt our workshops to appeal even more to teachers.



Psst—Know a Teacher?

We learned that the best promotional strategy, particularly in BC, is word-of-mouth, followed by receiving information from principals.

We think that if we can increase our number of participating teachers to a certain critical mass, the word-of-mouth promotion will kick in. Until then we are concentrating on increasing promotion of our programs to teachers via newsletters, magazines and other teacher publications, as well as via various communication channels, including direct mail to principals. But the research results tell us that any word-of-mouth is the most powerful tool we have. So, if you know a teacher, let them know about the great resources BCDA offers!



New Education Curriculum

A new education curriculum is unfolding in BC and teachers will have to gradually adopt this curriculum during the next three years. BCDA has participated in opportunities to provide feedback to the Ministry of Education regarding the Learning Standards and Content for the healthy eating portion of the Physical and Health Education curriculum. The good news is there are healthy eating components threaded throughout the grades, giving many opportunities for teachers to use the BCDA nutrition education programs and resources.



+Milk

+MILK

The 2014–2015 school year marks the third year of the +MILK program. It is a partnership program between BCDA, BC Agriculture in the Classroom Foundation (BCAITC) and the provincial government that brings milk to kindergarten, grade 1 and grade 2 students in public schools throughout BC. Seventy percent of the eligible schools participate in this program, holding steady from the first year of the program. Students receive a 120 mL container of milk along with the fruits and veggies delivered as part of the BC School Fruit and Vegetable Nutritional Program (BCSFVNP). Deliveries are made 13 times in a school year. BC dairy producers pay half the cost of the milk delivered, while the provincial government pays the remaining cost. BCAITC administers the program.

Schools are overwhelmingly positive about the delivery of milk. BCAITC keeps a log of all comments received from schools, and there is strong indication of an appetite for the program to expand to some of the older students.

Our students LOVED the milk. This is our first year enrolled in the +MILK program and the students were more excited to receive the milk than any of the produce we have served in the past. Almost every eligible student wanted to have a serving of milk and **many were asking for seconds!** (Sechelt)

The students love the milk!! They would drink it every day. (Vancouver)

Kids love the milk!!! **The Intermediate students are a little envious**—some of them drink the leftovers. (Langley)

The kindergarten to grade 2 students just love the milk as they ask me out in the school yard when they're coming again. **Thank you for this.** (Surrey)





Annual Nutrition Forum

A record-breaking audience of over 230 participants, composed mostly of influential BC health professionals, attended this year's Annual Nutrition Forum entitled *How We Eat Matters*. The forum featured world-renowned eating and feeding expert, Ellyn Satter. The increase in attendance is partly due to the universal nature of the topic, meaningful for a broad range of health professionals, and also due to how well regarded Ellyn Satter is amongst her colleagues.

"Family meals are very important," said Ellyn Satter at the Forum. She went on to explain that it is the parent's job to do the "what, when and where" of feeding while children do the "how much and whether" of eating. To make this work, she said, parents need to structure meals and snacks so they are predictable, sit-down affairs.

Satter noted one of the most important things parents can model at meal times is that the family meal is an enjoyable place to be. When parents enjoy the food they eat and let everyone attend to their own eating, and make pleasant conversation instead of passing judgment on how or whether their children are eating, this helps meals become a pleasant time. This is very clear support for what BCDA is trying to accomplish through the *Better Together* initiative.

The audience was extremely satisfied with the session. Ninety-eight percent of the evaluations rated the speaker 4 or 5 out of 5. The session was made possible through partnerships with the Provincial Health Services Authority and DFC.

Health Professionals

Workshops for Nursing Students

New this year, BCDA presented eight nutrition education workshops to nursing students at BC Institution of Technology (BCIT). The workshops introduced students to educational techniques to help clients move beyond information and towards behaviour change. Students were exposed to key BCDA nutrition education resources, such as *FoodTrack™* and *Calcium Calculator™*, as well as to the *Better Together* initiative. We anticipate that this new relationship with the BCIT nursing program will lead to conducting workshops for their students annually. In addition, we hope to extend this relationship to other nursing programs. Ideally, BCDA becomes the 'go-to' nutrition education resource for nurses.

Reaching Health Professionals on Social Media

During 2014–2015 we have been writing more web articles to address myths and issues health professionals often encounter as they work with their clients. Our aim is to continually help health professionals convey how dairy can be part of a healthy diet. Topics such as celiac disease, sugar in the diet, and the alkaline diet have all been the subject of attention on the BCDA website. All have implications for dairy. Once we have an article on popular topics such as these, we promote them on social media.

We have gained Dietitians of Canada blogging certification. This adds to our credibility, as well as helps increase our ability to share our work within the profession of dietetics.

Reaching out to Family Physicians

We attended the fall and spring family medicine conferences in Vancouver as a means of reaching family physicians. This is a notoriously difficult group to reach, as generally they prefer to receive their information from fellow physicians. However, the BC College of Family Physicians has opened their door to us and allowed us to be an exhibitor at their conferences. This has given us the opportunity to promote our nutrition education resources to family physicians, who attend this conference from throughout BC. Attending this conference has resulted in orders from 45 doctors and interest in having our nutrition educators present a workshop for family practice residents at UBC. Next time you visit your family physician, check to see if they are displaying one of our resources!





BetterTogether

**A hands-on approach
to family, food and fun!**

Better Together

Better Together, finishing its sixth year, is the initiative that brings food and fun together in homes throughout BC. It is designed to promote and support families to cook and eat together. Cooking and eating together results in healthy eating, including increasing the intake of dairy products.

This past year marked another very successful year for *Better Together*. The online community grew steadily throughout the year:

44% increase in Facebook fans

11% growth in Twitter followers

72% increase in Pinterest followers

Our reach on Facebook alone is regularly 1,000–2,000 per week, increasing to over 20,000 during contest periods.

Hands-on Cook-off Contest

The culminating event of the *Better Together* year is the annual Hands-on Cook-off Contest. The contest is all about bringing together food and fun in the kitchen by having two generations or two youth demonstrate how to prepare a recipe. Breakfast, BBQ, pizza, salad, dinner, snacks...recipes in any category are acceptable. Participants prepare a three-minute home video that is uploaded to the contest YouTube channel.

Better
Together

This year we saw 41 video entries for the contest, evenly divided between the multigenerational and youth streams of the contest. And in spite of the fact that there are no nutritional criteria for the recipes, we found that true to the underlying research, when people cook and eat together, more dairy products are used. Among the contest recipes, two-thirds used dairy products.

In 2015 we achieved our highest yet earned media (19 clippings this year, compared to 16 last year) and a record number of views (>12,000) and votes (>2700) for the contest entries, meaning more people than ever were influenced by the contest submissions.

Behind the scenes, we have been reaching out to our affiliates to see if we can extend the success of this contest to other provinces. We are hoping this work will come to fruition in 2016 with a parallel contest in Manitoba.



It's Not Science, It's Ice Cream in a Bag
(Runner-up in the multigenerational category)

Research with the Better Together Community

Research with our *Better Together* community in the spring of 2015 showed that families are trying to get family meals on the table, even if this means something simple like soup and sandwiches. In fact, most families favour the simple approach. However, we also see that we have room to help families do better, as many still prefer to cook solo rather than engage their children in helping out in the kitchen. We know that the more children are involved, the more likely they are to be eating well. This gives us some indication of how we can improve even more over the coming year.



Marketing



**NOT EVERYTHING WE DID WHEN
WE WERE KIDS MADE SENSE.**



BUT DRINKING MILK DID.

Milk Every Moment Campaign

Milk Every Moment is the campaign created by the Strategic Milk Alliance which is a collaboration between Milk West (BC Dairy Association, Alberta Milk, SaskMilk, and Dairy Farmers of Manitoba) and Dairy Farmers of Canada. The campaign, now in its third year, aims to reignite the positive memories that adult women have of drinking milk by leveraging the nostalgia of drinking milk as a child.

The campaign has multiple touch points on television, outdoor billboards, online and in retail grocery stores.

- Television advertising continues to offer the greatest opportunity to reach our target market with ads placed during popular reality, variety and comedy shows. Three ads played in rotation throughout the year all with the key message that not everything we did when we were kids made sense, but drinking milk did and still does. Our television ads were seen on average, once every 1.5 weeks by 81% of our total target audience (approx. 2.5 million adult women).
- Outdoor billboards featured our top “milk and favourite food pairings” in four-week rotations across 10 major markets in Canada.
- A supporting digital campaign focused on creating new and unique content that was entertaining and useful to our target. In Fall of 2014, we created *Snack Masters*, a webisode series that followed some of Canada’s favourite chefs across the country to learn about their favourite recipes that pair well with a glass of milk. The campaign’s social content earned 1,225,199 impressions during its run and 36,597 engagements on Twitter and Facebook.
- Retail shopper marketing promotions of milk paired with packaged foods reinforced the pairing message at the point of purchase. In 2014-2015, there were six activations across Western Canada. Milk and Oreos for \$5 were the most successful at triggering short-term increased sales averaging 10% during the promotion time-frame.

The *Milk Every Moment* campaign objective is to increase household consumption of milk and reverse the negative sales trend in retail grocery channels. As of July 25, 2015, national retail sales were at -1.00% compared to the same period a year ago. This is a significant improvement over where we started, which was -2.7% but we have seen a lag in the initial sales gains that were made at the start of the campaign. With this in mind, there will be a new advertising campaign in the market in September 2015, which we hope will continue to help increase milk consumption with our target.



**WHEN YOU'VE
DRAINED THE TANK
IT TAKES MORE THAN
INSPIRATIONAL QUOTES
TO FILL IT UP AGAIN.**



CARBS. ELECTROLYTES. PROTEIN.
NO HYPE, JUST HELP.

PoweredByChocolateMilk.com

Powered by Chocolate Milk

The *No Hype. Just Help.* campaign continued for 2014-2015 with the focus of activity from May to November, 2015. The campaign uses emotional messaging to change perceptions and associations around chocolate milk with the goal to increase chocolate milk's visibility within and in association with various high energy sports. Tactics include posters in gyms, recreation centres and hockey arenas, online display ads and shelf blades in major retail grocery banners.

Over the summer, the Contenders' Lounge and Recovery Crew provided educational opportunities to sample chocolate milk with athletes at key events where they need to consider their post-recovery snack.

- The Contenders' Lounge is a concentrated warm up/cool down area at extreme mud run events across Western Canada, where athletes can prepare for their heat and replenish their aching muscles post competition with a cold chocolate milk.
- The Recovery Crew is a team of trained brand ambassadors who attend community events, tournaments and gyms, providing samples with educational messaging to raise awareness and understanding of the benefits of chocolate milk as a recovery beverage. Many stories from athletes in the field have been shared on the Powered by Chocolate Milk (PBCM) Facebook page and were met with enthusiastic feedback from our followers.

Throughout the year, there is a team of 23 athlete ambassadors across the west who use social media to promote their passion for chocolate milk within their community. The athlete ambassador program continues to be a key component to the grassroots side of the campaign, extending the program reach on social media and providing great opportunities to garner media coverage. In 2014-2015, our athletes were featured in 12 posts in the media and generated a reach on Twitter of 2.7 million impressions*

* Estimated impressions on Twitter based on mentions, tweets and re-tweets of @pbchocolatemilk or #PBCM on Twitter between August 1, 2014 and May 31, 2015.



Milkmobile

Now in its third year, the *Milkmobile* program captures and immortalizes memories through a mobile poster station that creates customized 'Milk Every Moment' event posters using participant generated photos. Milk donations from BC processor partners help offset program costs and allow us to incorporate a sampling aspect to the activation experience.

In 2014-2015, the *Milkmobile* attended 17 events and reached over 450,000 people in BC. There were almost 17,000 milk samples and 12,000 posters distributed.

Milk MOOves You On-Pack Promotion

The *Milk MOOves You* promotion was in market from May 17 to 27, 2015 with the objective to grow milk category volume by encouraging parents and families to purchase and drink more milk. This year's prizes included a Fiat 500 and McCafé gift cards. Participating processors across the west included Saputo, Parmalat and Agropur.

Data from AC Nielsen, which tracks the promoted participating milk cartons and jugs, indicate that the program successfully influenced milk category behaviour across Western Canada. In BC, those milk products featuring the contest outperformed the total market by +2.5% in dollar volume and +4.0% in actual volume.

Plans are already underway to run this program again in Spring 2016.



YOUR NEXT GLASS OF MILK MAY COME WITH RECLINING SEATS.

SEE SPECIALLY MARKED MILK CARTONS AND JUGS FOR A CHANCE TO WIN* A 2016 FIAT® 500X.

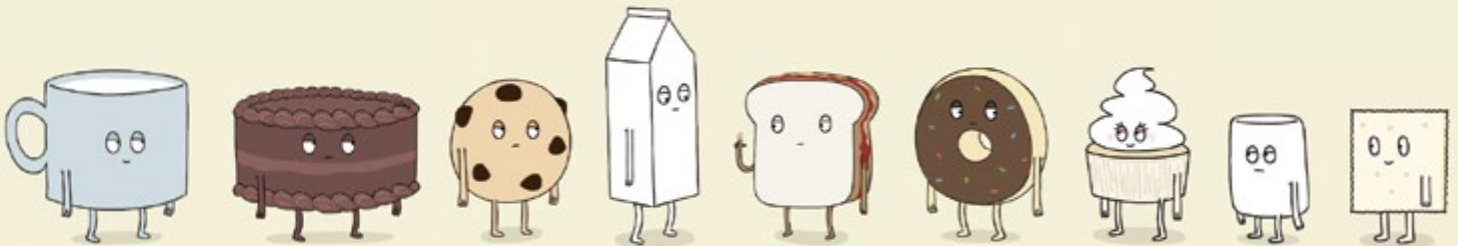
PLUS, ENTER AND GET A COUPON FOR A FREE MCCAFFÉ® LATTE OR CAPPUCCINO MADE WITH FRESHLY STEAMED MILK.

Milk MOOves You.ca

Purchase Necessary. Contest closes 23:59:59 PT on July 27, 2015. More information on participating milk packages. Visit MilkMOOvesYou.ca or call 1-888-375-9664 for complete rules and offer terms. *FIAT® and the FIAT logo are trademarks of Fiat Group. MILD'S, McCAFÉ, the McCAFÉ® Signature and the Golden Arches logo are marks licensed from McDonald's Corporation and are used with permission. Neither Group Marketing & Corporate Communication S.p.A. or McDonald's Restaurants da Limited are sponsors or administrators of, nor partners in, this promotion.



SNACK TIME



Snack Time

Launched in early summer of 2014, *Snack Time* targets youth while they are “chilling at home”. The series features a carton of milk named Carlton and highlights his adventures with his favourite snack foods. The episodes are posted on a regular basis to various social media sites such as YouTube, Tumblr, Facebook and BuzzFeed. From November 6 to July 24, over 2.1 million complete views were recorded through paid pre-roll video. YouTube was quite popular, with almost 295,000 views recorded during the same period. After one year in market, *Snack Time* is still seeing steady growth in both YouTube subscribers and Tumblr followers.

Snack Time at a glance in 2014-2015:

15 new videos produced

12,338 subscribers on YouTube

2.4 million views on YouTube

4,530 Tumblr followers



In the fall of 2015, Milk West will test and evaluate the effectiveness of *Snack Time* among the teen audience group and will conduct morphological research to see how the campaign should evolve in 2016.



Milk Slam

Milk Slam is a high school and post secondary cafeteria promotion program. The objective is to influence teens and young adults to choose milk more often. We have the opportunity to engage students in the cafeteria with a chance to win concert tickets, product, and other prizes when they buy milk. No other beverage competitor has this access.

In the 2014-2015 year, Manitoba and Saskatchewan joined BC and Alberta, growing the *Milk Slam* promotion into a Milk West initiative. The 2014-2015 grand prize was a VIP Concert Experience with a trip to LA for three and three tickets to any Capitol Records concert in North America, in addition to regional prizes, secondary prizes, digital music downloads and free milk.

The 2015 program will take place from September 28 through December 4 and will include a technology prize component featuring our *Snack Time* characters, Chip and Carlton. *Milk Slam* will be in over 300 locations in BC, with a potential student reach of 430,000 students.







We ♥ Local

We ♥ Local (WHL) is a pan-agriculture initiative created in partnership with BC Agriculture Council. As “the hub” for BC’s local food movement, WHL aims to celebrate and champion local food system constituents such as producers, processors, farmers markets, retailers, and chefs/restaurateurs. British Columbians learn what is available and grown in BC, where to find it and how to use it. With a strong presence for dairy within the program, we educate consumers that their milk is local and comes from local family dairy farms.

In 2014, we transitioned the program from *Buy Local. Eat Natural.* to *We ♥ Local* in order to more accurately reflect the program objectives. The transition coincided with the second annual *We ♥ Local* Awards which took place from August 19 to September 16. With a television partnership with Global TV BC, the awards received 337 nominations (41% more than 2013), 37,456 votes (260% more votes than 2013), and 28,880 unique visitors (36% more than 2013)!

Financial contributions from Beef Cattle Industry Development Fund and BC Chicken Marketing Board totaled \$63,300 for the 2015 calendar year. Funds were partially spent on social engagement and management, website development and mostly on content creation specifically for the new partners. Additionally, WHL gained added value with a social giveaway thanks to the new chicken partnership and their relationship with Random House Publishers. WHL gave away 15 cookbooks written by Chef Eric Akis from Victoria, BC. This simple contest received great engagement with an audience reach of 5,060,279 post clicks, 78 post likes, 64 post comments (giveaway entries), and 19 post shares in just 4 days.

For 2015-2016, the WHL program will undergo a program audit to evolve the program with the goal of becoming self-sustaining.



Our cookbook giveaway contest received over **5 million** post clicks



Over 15,000 images of our featured producers, their farms, and their region have been collected.





BCDA Graphics & Photography

BCDA's photo library requires ongoing updating and replenishment to maintain a fresh look and feel for our programs and materials. This means new visual assets are needed each year. In 2014-2015 year, we visited **North Okanagan** and the **Kamloops** region to photograph and film at the Stobbe and Blackwell farms, respectively. Since 2013, BCDA has visited the **Comox Valley**, **Cowichan Valley**, **Fraser Valley**, **Okanagan**, **North Okanagan**, and **Kamloops** regions; producing 8 videos and collecting over 15,000 raw images of our featured producers, their farms, and their region.

BCDA will continue to build a library of images and videos to highlight the dairy industry and its producers in the upcoming year. There will be a focus on other BC regions not yet captured while continuing to build a portfolio of farmers from the Fraser Valley.

A photograph of a woman with dark hair, smiling and holding a small piglet. She is wearing a dark blue sweatshirt with a logo that says "THE MOBILE DAIRY CLASSROOM". The background shows a community event with other people, including children, and a sign that says "Thank you Donkeys". The entire image has a blue tint.

Community and Public Engagement



Mobile Dairy Classroom

The *Mobile Dairy Classroom Experience* (MDCE) has had a successful year visiting 43 events, 35 summer camps, and 160 schools. This year, the MDCE has focused on building stronger relationships with communities across BC. The initiative has been increasing its attendance at events outside of the Lower Mainland. Highlights include Breakfast on the Farm, Vancouver Island Agriculture Exhibition, and Salmon Arm Fair. In addition, the MDCE continues to hold education as its core mandate. Through ongoing partnerships with educational programs such as the Fraser Valley Regional Public Library, Burnaby Village Museum, and Science World, the MDCE has been able to educate consumers about BC's local dairy industry.



visited

43 events

35 summer camps

160 schools





BC School Sports Sponsorship

BC School Sports (BCSS) is a member-based association for public and non-public secondary schools across BC. BCSS has an average of 440 member schools each year throughout the province, with more than 100,000 student athletes participating in 53 Provincial Championships organized by 19 active Sport Commissions.

Now in the second year of a three-year partnership with BCSS, BCDA is able to keep milk top of mind with high school student athletes while promoting school spirit, healthy lifestyles, and community involvement. Each fall and spring, select sport championships receive a cooler full of chocolate milk to use at the tournament and to take back for use at their school. This year in-kind sponsorship was provided to Senior Girls Volleyball last fall, and Senior Boys Rugby in the spring. In total, BCDA had a reach of up to 38,400 students, 6,000 spectators, 3,550 print and 495,800 electronic impressions for the 2014-2015 year.

BCDA looks forward to the upcoming 2015-2016 fall school year to support Senior Girls Field Hockey, Senior Boys Football and Senior Boys Soccer teams. In-kind sponsorship will change in 2015-2016 to ensure BCDA can better impact students on a one-to-one level instead of the team as a whole.

BCSS continues to help promote a long-standing tradition at BCDA. *Milk Run*, a 3 km run, walk, wheel, or skate, takes place in participating high schools across BC. BCSS included the event in their Athletic Calendar that is received and displayed year-round by all high school Athletic Directors and teachers in BC. This year, participating Milk Run schools decreased slightly with 20 schools in 2014 compared to 21 schools in 2013.

Producer Relations





Breakfast on the Farm

BC Dairy Association facilitated in the production of BC's first ever *Breakfast on the Farm*! The event took place in July at a dairy farm in Armstrong. It was a fantastic opportunity for the farmers to interact and educate their local communities about dairy farming in BC.



Dairy Farmers of Canada AGM

BC Dairy Association was proud to host the 2015 Dairy Farmers of Canada (DFC) Annual General Meeting from July 13th-15th in beautiful Vancouver, BC. The meetings and Grand Banquet were held at the Westin Bayshore Hotel, with memorable social events taking place at the Vancouver Aquarium and at Grouse Mountain. Additional highlights included a pre-conference tour of three farms in the Fraser Valley and a special welcome dinner for young dairy producers.

The 2015 DFC AGM was very well attended, with a total of 402 participants across both meetings and social events. Feedback from the meeting participants was very positive. In an online survey conducted by DFC, 100% of the 79 respondents indicated that they felt the 2015 AGM was an overall success.



Member Benefits Program

The member benefits program continues to grow with an ongoing series of offers and savings to BC dairy producers. The program offers savings for on-farm expenses such as fuel, insurance and telecommunications, and travel discounts such as hotels and car rentals.

Producer Communications

BC Dairy Producer Newspaper

The BC Dairy Producer Newspaper continues to publish quarterly. Issues over the past year have been themed, and included animal welfare, emergency management and the environment. The newspaper is used to convey information and provide behind-the-scenes articles on issues of industry concern.

BC Dairy Producer Online News

Over the past year, the long-running “MoosBlast” e-newsletter was re-branded into an electronic version of the Producer Newspaper. The e-newsletter is distributed monthly and contains timely industry information.

Dairy Industry Research and Education Committee DIREC

The mandate of DIREC is to fund innovative research of direct benefit to the provincial and national dairy industry. The program currently contributes to a range of projects such as the UBC Dairy Research farm student residences and numerous animal health research studies. The program also funds industry specific events and has recently begun offering a series of scholarships. For complete details about the DIREC initiative and its various funded projects, event or scholarship applications, visit the BCDA website at www.bcdairy.ca/DIREC.

DairyPro BC

DairyPro BC is a certified apprenticeship program offering an industry recognized Certificate of Qualification. The program is open to individuals seeking careers in the dairy industry or those already in the industry wishing to earn their trade credential. Completion of Grade 10 including English and Science are recommended. Grade 12 graduation with Science and Biology is preferred. Successful completion of the program results in the designation of DPT1 (Dairy Production Technician 1). For more information, visit bcdairy.ca/dairyfarmers/dairypro.

Financial Statements

British Columbia Dairy Association | Financial Statements | Year ended July 31, 2015



**KPMG LLP**

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INDEPENDENT AUDITORS' REPORT

To the Members of British Columbia Dairy Association

We have audited the accompanying financial statements of British Columbia Dairy Association, which comprise the statement of financial position as at July 31, 2015, the statements of operations and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of British Columbia Dairy Association as at July 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



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Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Professional Accountants

November 18, 2015

Chilliwack, British Columbia

British Columbia Dairy Association

Statement of Financial Position

as at July 31, 2015

	2015	2014
CURRENT ASSETS		
Cash	\$ 2,661,578	\$ 3,422,426
Contributions and accounts receivable (note 3)	1,582,616	1,278,204
Prepaid expenses	74,605	85,511
Promotion and nutrition project supplies	115,675	159,926
	4,434,474	4,946,067
Capital assets, net (note 4)	77,866	144,820
	\$ 4,512,340	\$ 5,090,887
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 5)	\$ 342,667	\$ 489,713
Deferred contributions (note 6)	60,000	60,000
	402,667	549,713
NET ASSETS/(DEFICIT)		
Producer Services and General Fund	(43,705)	(32,805)
Marketing and Nutrition Education Fund	3,716,737	4,111,247
Dairy Industry Research and Education Fund	436,641	462,732
	4,109,673	4,541,174
Commitments (note 7)		
	\$ 4,512,340	\$ 5,090,887

The accompanying notes are an integral part of these financial statements.

Approved by the directors



Dave Taylor
Chair, Board of Directors



Lorne Hunter
Chair, Finance and Audit Committee

British Columbia Dairy Association
Statement of Operations and Net Assets
for the year ended July 31, 2015

	2015 Total			2014 Total
	Producer Services and General Fund	Marketing and Nutrition Education Fund	Dairy Industry Research and Education Fund	
REVENUES				
Contributions from dairy producers (note 8)	\$ 921,631	\$ 5,948,068	\$ 67,393	\$ 6,583,611
Recoveries and other contributions	287,485	150,745	79,935	467,345
Interest	28,294	-	-	33,838
	1,237,410	6,098,813	147,328	7,084,794
EXPENSES				
Marketing and Nutrition Education projects (Schedule A)	-	4,631,707	-	4,732,732
Producer Services and Dairy Industry Research and Education projects (Schedule B)	782,906	-	173,419	618,934
Labour (Schedule C)	323,381	1,293,525	-	1,482,267
General and administration (Schedule D)	142,023	568,091	-	779,858
	1,248,310	6,493,323	173,419	7,613,791
Deficit of revenues over expenses	\$ (10,900)	\$ (394,510)	\$ (26,091)	\$ (528,997)
Net Assets/(Deficit), start of year	(32,805)	4,111,247	462,732	5,070,171
Net Assets/(Deficit), end of year	\$ (43,705)	\$ 3,716,737	\$ 436,641	\$ 4,541,174

The accompanying notes are an integral part of these financial statements.

British Columbia Dairy Association

Statement of Cash Flows

for the year ended July 31, 2015

	2015	2014
Cash flows from operating activities		
Cash received for contributions and recoveries	\$ 7,149,272	\$ 7,086,703
Cash received for interest	29,867	33,905
Cash paid for labour, materials and services	(7,923,541)	(7,318,403)
Net cash outflow from operating activities	(744,402)	(197,795)
Cash flows from investing activities		
Purchase of capital assets	(16,446)	(15,684)
Net cash outflow from investing activities	(16,446)	(15,684)
Decrease in cash	(760,848)	(213,479)
Cash, beginning of year	3,422,426	3,635,905
Cash, end of year	\$ 2,661,578	\$ 3,422,426

The accompanying notes are an integral part of these financial statements.

British Columbia Dairy Association

Schedules of Expenses

for the year ended July 31, 2015

Schedule A: Marketing and Nutrition Education Expenses

	2015	2014
MARKETING		
Marketing programs for British Columbia	\$ 188,813	\$ 407,847
Share of expenses for marketing partnerships with other provinces	3,762,118	3,570,886
	3,950,931	3,978,733
NUTRITION EDUCATION		
School based programs	392,464	412,056
Programs for public and health professionals	126,740	139,317
	519,204	551,373
COMMUNITY AND PUBLIC ENGAGEMENT	161,572	202,626
	\$ 4,631,707	\$ 4,732,732

Schedule B: Producer Services, Dairy Industry Research and Education

	2015	2014
PRODUCER SERVICES		
Dairy Farmers of Canada member dues	\$ 250,886	\$ 250,443
Dairy Farmers of Canada AGM (Note 11)	230,810	-
Contributions to regional organizations	106,876	102,238
BC Agriculture Council member dues	56,710	57,982
BC Dairy Conference	57,724	52,534
Producer Services and Communications	79,900	40,898
	782,906	504,095
DAIRY INDUSTRY RESEARCH AND EDUCATION		
Research and Education Projects	154,182	92,791
BC Dairy Expo	19,237	22,048
	173,419	114,839
	\$ 956,325	\$ 618,934

British Columbia Dairy Association

Schedules of Expenses

for the year ended July 31, 2015

Schedule C: Labour expenses

	2015	2014
Salaries and wages	\$ 1,337,723	\$ 1,219,946
Employee benefits and payroll taxes	229,363	232,708
Employees' professional dues, development and recognition	23,637	19,485
Labour subcontracts	20,263	10,128
Recruiting	5,920	-
	\$ 1,616,906	\$ 1,482,267

Schedule D: General and administration expenses

	2015	2014
Travel	\$ 168,662	\$ 177,492
Directors' fees and expenses	166,185	182,816
Rent and offices expenses	138,631	128,770
Audit, accounting and legal	24,823	26,843
Telephone and communications	24,554	22,890
Postage and couriers	23,800	29,103
Computers	22,709	28,443
Conferences and meetings	21,928	47,615
Insurance	17,438	15,218
Professional fees and consulting	9,513	21,489
Interest and bank charges	4,334	3,596
Vehicles	4,137	7,448
Amortization	83,400	88,135
	\$ 710,114	\$ 779,858

British Columbia Dairy Association

Notes to the Financial Statements

Year ended July 31, 2015

1. Purpose of the British Columbia Dairy Association

The purpose of British Columbia Dairy Association (BCDA or the Association) is to coordinate, plan, oversee and implement the promotion, education and public relation programs best suited to meet the needs of the Dairy Industry in British Columbia; act as representative and advocate for its members to the general public, to governments and their agencies, and to any other group or body that may be appropriate; serve as the forum for dairy producers to discuss issues of interest to the dairy production industry in British Columbia; develop and pursue policies and programs beneficial to the dairy production industry in British Columbia and raise funds for the foregoing purposes. The Association is incorporated under the Society Act (British Columbia) as a not-for-profit organization and is exempt for income tax purposes.

2. Significant accounting policies

The Association prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook—Accounting. The Association's significant accounting policies are as follows:

Revenue and expense recognition

The Association follows the deferral method of accounting for contributions.

Contributions from dairy producers are based on a mandatory levy collected under the provisions of the Farming and Fishing Industries Development Act and the Dairy Industry Development Council Regulation. Contributions are collected for specific purposes and are recognized in different funds accordingly.

Contributions are recognized during the month of production to which the levies apply.

Externally restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Use of fund accounting

The Association reports revenues and expenses using funds on its statement of operations and net assets. These funds are used to recognize restrictions on the use of revenues collected and to maintain fund balances.

- a) **Producer Services and General Fund:** This fund recognizes revenue of the Association and expenses that are not attributable or allocated to the other funds.
- b) **Marketing and Nutrition Education Fund:** Much of the Association's revenue is contributions from dairy producers, earmarked for the promotion of fluid milk through the Association's marketing and nutrition programs. Such revenue and related expenses are reported in this fund.
- c) **Dairy Industry Research and Education Fund:** Certain contributions received by the Association are earmarked for research and education benefitting the industry. Such revenue and the related expenses are reported in this fund.

British Columbia Dairy Association

Notes to the Financial Statements

Year ended July 31, 2015

2. Significant accounting policies, continued

Allocation of expenses

Expenses are reported in three funds, representing the principal functions of the Association. Where practical, expenses are attributed to the functions directly (Schedules A and B).

Labour expenses are reported by object (Schedule C) and are allocated to the functions of the Association. Such expenses are allocated 80% to the Marketing and Nutrition Education Fund and 20% to the Producer Services and General Fund.

Other expenses shared by multiple functions (including general support expenses), or those where attribution is not practical are reported by object (Schedule D) and are allocated to the functions of the Association. Such expenses are allocated 80% to the Marketing and Nutrition Education Fund and 20% to the Producer Services and General Fund.

Promotion and nutrition project supplies

Promotion and nutrition project supplies, held for distribution at no charge or for a nominal charge, are stated at the lower of cost and current replacement cost.

When promotion and nutrition project supplies are determined to have no future service potential, the carrying amount is written down to net realizable value.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized on a straight-line basis as follows:

Computer equipment	3 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	remaining term of the lease

When events or circumstances indicate that a capital asset no longer has any long-term service potential, the net carrying amount is written down to the residual value of the asset. No write-downs were determined to be necessary during the current year.

British Columbia Dairy Association

Notes to the Financial Statements

Year ended July 31, 2015

2. Significant accounting policies, continued

Financial instruments

The Association's financial instruments are carried at cost and consist of cash, contributions and accounts receivable, accounts payable and accrued liabilities.

The carrying values of the Association's financial instruments approximate their fair value due to their negligible risk and short term to maturity.

Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. Contributions and accounts receivable

	2015	2014
Receivable from Dairy Industry Development Council	\$ 1,250,496	\$ 1,187,227
Receivable from Receiver General for GST	78,094	19,426
Other contributions and accounts receivable	254,026	71,551
	<u>\$ 1,582,616</u>	<u>\$ 1,278,204</u>

4. Capital assets

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Computer equipment	\$ 115,743	\$ 113,681	\$ 2,062	\$ 8,740
Furniture and fixtures	163,906	141,055	22,851	36,582
Vehicles	65,392	59,681	5,711	1,343
Leasehold improvements	240,523	193,281	47,242	98,155
	<u>\$ 585,564</u>	<u>\$ 507,698</u>	<u>\$ 77,866</u>	<u>\$ 144,820</u>

British Columbia Dairy Association

Notes to the Financial Statements

Year ended July 31, 2015

5. Account payable and accrued liabilities

	2015	2014
Payable to suppliers for supplies and services	\$ 196,274	\$ 377,316
Payable to Receiver General for GST and source deductions	21,135	16,243
Payable to/on behalf of employees for wages and benefits	125,258	96,154
	<u>\$ 342,667</u>	<u>\$ 489,713</u>

6. Deferred contributions

Deferred contributions represent unspent resources externally restricted for future expenses as detailed below.

The Association received contributions for its programs from the Cattle Industry Development Council and Beef Cattle Industry Development Fund. These contributions are restricted for particular activities of the Association and are further restricted to fund those activities in time periods covered by the contribution agreements in place.

Changes in deferred contribution balances are summarized in the following table.

	2015	2014
Deferred contributions, beginning of year	\$ 60,000	\$ 52,000
Less amounts recognized as revenue in the year	(60,000)	(52,000)
Add amount received for future expenses	60,000	60,000
Deferred contributions, end of year	<u>\$ 60,000</u>	<u>\$ 60,000</u>

7. Commitments

The Association has commitments under operating leases as follows:

	Expiry date
Premises	June 30, 2016

The future minimum rental payments required under the operating leases as at July 31, 2015 are as follows:

2016	\$ 66,594
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British Columbia Dairy Association

Notes to the Financial Statements

Year ended July 31, 2015

8. Related party and related party transactions

Dairy Industry Development Council ("the Council")

The Council collects contributions from dairy producers on behalf of the Association under the provisions of the Farming and Fishing Industries Development Act. These transactions are in the normal course of operations and are measured at the amount exchanged. During the current year the Council contributed \$6,937,092 (2014—\$6,583,611) to the Association. At July 31, 2015, \$1,250,496 (2014—\$1,187,227) due from the Council is included in contributions and accounts receivable.

Under the plan of the Council, as approved by the Minister responsible, the Council and the British Columbia Dairy Association have a common board of directors. The Association and the Council are thereby commonly controlled.

The accounts of the Council have not been consolidated with the Association. The following table is the Council's summary financial information for its most recent fiscal year ending December 31, 2014. The Council's complete financial statements are available to members upon request.

DAIRY INDUSTRY DEVELOPMENT COUNCIL

	2014	2013
FINANCIAL POSITION as at December 31		
Total assets	\$ 2,795,451	\$ 2,602,771
Total liabilities ⁽¹⁾	\$ 1,930,093	\$ 1,791,994
Total net assets	865,358	810,777
	\$ 2,795,451	\$ 2,602,771
RESULTS OF OPERATIONS year ended December 31		
Total revenues	\$ 11,636,221	\$ 10,845,043
Fluid products promotion	5,792,456	5,418,391
Industrial products promotion	4,832,039	4,391,957
Producer services, industry activities and administration	911,007	718,541
Research and Education	46,138	148,357
Total expenses ⁽²⁾	11,581,640	10,677,246
Excess of revenues over expenses	\$ 54,581	\$ 167,797
CASH FLOWS year ended December 31		
Cash flows from operating activities	\$ 139,613	\$ 82,326
Increase in cash	\$ 139,613	\$ 82,326

(1) Total liabilities include \$1,183,681 (2013 - \$1,121,445) due to the Association.

(2) Total expenses include contributions of \$6,736,114 (2013 - \$6,271,512) to the Association.

British Columbia Dairy Association

Notes to the Financial Statements

Year ended July 31, 2015

9. Pension plan

The Association participates in a defined contribution pension plan (the “Plan”) administered by Manulife Financial Ltd. The Association and participating employees make monthly contributions to the Plan into a members accumulation account. The contribution is based on an annually determined contribution rate on the member’s salary.

The Association contributes 5% and employees contribute 5% to the member’s account. Pension plan expenses for the year ended July 31, 2015 amounted to \$56,944 (2014—\$50,378).

10. Financial risk

The Association’s financial instruments consist of cash, contributions and accounts receivable, accounts payable and accrued liabilities. The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity’s risk exposure and concentrations at the date of the Statement of Financial Position, July 31, 2015.

- a) **Credit risk:** Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association’s main credit risks relate to its contributions and accounts receivable.

11. Dairy Farmers of Canada Annual General Meeting

During July 2015, the Association hosted the Dairy Farmers of Canada Annual General Meeting (DFC AGM) in Vancouver. The AGM is hosted by the DFC’s provincial members on a ten year rotating basis. The Association collected \$179,062 in recoveries and other contributions related to the event. The gross expenses related to the event were \$230,810.







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