



2015-2016
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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BC Dairy Association

Representation and Advocacy
for BC Dairy Farmers.

Representing
Dairy Farmers
Across B.C.

Public
Outreach

Media
Engagement



DairyProz

Michael
Schurmann
BC Dairy Association

Chairperson's Message

The BC Dairy Association (BCDA) exists to promote fluid milk consumption and to represent you as BC dairy producers. Our success, however, starts with the local producer organization, where producers need to make a difference in advancing and highlighting the benefits of our industry to our communities. From there we need to do the same at a provincial level—supporting local efforts and speaking as a strong provincial association representing all regions of BC. The work must continue with a strong national organization that can speak for our dairy industry from a Canadian perspective. This has been our story and must continue if we are to be successful in overcoming the challenges that we may face.

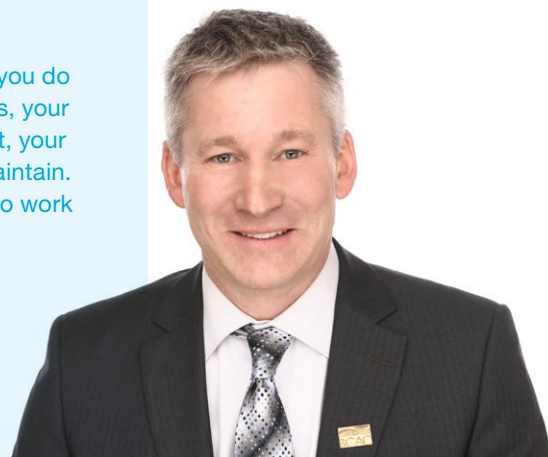
There are many challenges, but there are also opportunities. We are seeing tremendous growth in our industry, and that needs to be managed so that our industry is strong for many years into the future. The Ingredients Strategy is meant to bring stability and investment to our industry, and although these times are laced with unpredictability on price, the strategy is meant, once implemented, to bring stability and growth into the future. Nothing is guaranteed, but the strategy is sound and should have been implemented much sooner.

We, as producers, must continue to advance our industry and the benefits of supply management. We see the devastating results of agriculture policies that do not manage production around the world. Let us work hard not to allow such crippling policies to affect our industry. This past year saw the signing of the Trans-Pacific Partnership (TPP). This was a time of uncertainty for dairy farmers, and although the TPP will bring negative results (if it is ratified and implemented), we can conclude that the outcome has allowed our farms to look beyond today into the future. That being said, government must play a role in supporting the pillars of supply management and we will continue to advocate for government to fulfill this promise and put words into action!

This annual report contains excellent information on the activities of your Association. Take the time to read this report and continue to push us as a Board of Directors to advance the industry here in BC. The report outlines the marketing efforts, nutrition activities, producer relations, research and education, and extension work that your Association continues to do. I'd like to thank the staff dedicated to each of these areas who work for positive results.

I also thank the members of the Board of Directors who take time from their farms and their families to travel to meetings, to engage in government discussion and policy, and to work for the strength and growth of dairy production in BC.

Finally, I'd like to take the opportunity to thank you as BC producers for all you do on your farms to make our industry stronger. Your investment on your farms, your care for your animals, your determination to produce a high-quality product, your care for your land all speak for the high standard of dairy production we maintain. I believe we are a strong community of producers; together, let's continue to work at making the dairy industry even stronger for many more years!





Executive Director/CEO's Message

BC Dairy is proud to represent the 500 dairy farmers in British Columbia and we work hard to develop the marketing plans, animal care initiatives, nutrition education, government relations and community outreach programs that showcase dairy in the community.

The Strategic Milk Alliance (four western provinces and Dairy Farmers of Canada) completed their three-year fluid marketing agreement in February 2016. Consequently, the fluid milk campaign is undergoing a transition year. BC Dairy launched its very own fluid milk campaign on October 10, 2016 which will run through 2017. SaskMilk has joined with BC Dairy until December 2016. As Dairy Farmers of Canada (DFC) defines its marketing strategy and governance process, BC Dairy will consider integration for future campaigns.

We've achieved our first anniversary with the SPCA Crisis Management Protocol. All 11 reports were resolved without regulatory involvement. This demonstrates our ability to self-govern and collaborate with a respected and recognized third-party partner.

Our proAction team ensures BC meets the national goals approved by dairy farmers in Canada. BC leads Canada in Animal Care validations and is proud of the excellent progress made. I would like to thank the producers for their support and vision as the six elements are implemented.

Nutrition Education is not just for teachers — we are educating doctors, dentists and nurses. When one doctor has over 1,000 patients, the opportunity to educate the public on the importance of dairy is amazing and their response has been amazingly positive.

This year, Breakfast on the Farm was held in the Okanagan and on Vancouver Island. This event was outstandingly popular with the public and executed seamlessly with the help of Kootenay Okanagan Dairy Association and the Vancouver Island Milk Producer's Association. Thanks to the volunteers & staff who taught 2,000 participants where their dairy products come from.

The BC Government and BC Dairy are committed to +Milk for another three years. Many children reported they had not had milk before and really liked it. This year children in Kindergarten through Grade 5 will get milk.

The Mobile Dairy Classroom is back at the Vancouver Pacific National Exhibition Fair (PNE) and was bigger and better than before! With new games, presentation material and fresh young presenting faces, we educated and entertained PNE guests about the outstanding work that BC dairy producers do every day.

Please read our annual report for more specifics and project details.

From all of us at the BC Dairy office, we wish you and your families health, happiness and a wonderful Christmas season.



The background is a monochromatic blue image. On the left, a clear glass bottle is partially visible, containing a light-colored liquid. A striped straw is inserted into the bottle. To the right of the bottle, a white plate is visible, containing a dark, circular food item, possibly a burger or a patty. The entire scene is overlaid with a semi-transparent dark blue rectangle in the center, which contains the text "NUTRITION EDUCATION" in white, uppercase letters.

NUTRITION EDUCATION

NUTRITION IN SCHOOLS

Workshops

The 2015–2016 school year proved to be a very successful year for nutrition education. Following several years of labour unrest, and armed with results from our research on teacher engagement conducted in the previous school year, BC Dairy nutrition educators used a deliberate word-of-mouth approach to improve our reach to schools.

In addition, we were very pleased to be able to reach teachers in areas that had been quiet for many years such as the Prince George and surrounding school districts and the Cariboo.

THE RESULTS?

25% increase in the number of teachers reordering materials

36% increase in the number of teachers attending workshops

We were also pleased to be able to reach student teachers through several of the university programs in BC. It's important to be able to reach teachers at the beginning of their careers, when they are most interested in gathering up the resources they will use when teaching.



Mini Food Grants

BC Dairy nutrition educators award mini food grants to support teachers who are using BC Dairy nutrition programs. The purpose of the grant is to help teachers bring their nutrition education lessons alive by bringing food into the classroom.



We have found that offering grants is a powerful promotional tool for engaging teachers to use our nutrition education programs in the first place. In recognition of this fact, we decided to give grants twice a year instead of just once in the fall. For the first time, during 2015–2016, teachers could apply for grants in January too. This allowed for teachers who took workshops during the fall to be able to apply for grants during the same school year.

In total, we awarded over 140 classrooms with small grants of \$75–\$150. We tightened up the application process and as a result, found we had much higher quality applications than in previous years. When teachers reported back on how they used the money, we were very pleased to see the results.

“ Happy Tuesday Nutrition Educators of BC Dairy Association. THANK YOU so much for the awesome \$150 Food Explorers grant for our classroom...My students are super excited about the Food Explorers program and we have already done some follow up writing and drawing activities using the pages in the appendix. Thank you again for the fabulous food explorers program, the recipe cards to send home (they want a recipe for everything that we've made so far :) as well as the food stickers. I love your program and resources and use them every year with my students. I also sincerely appreciate the Food Explorers Mini Food Grant to support this program...”



TOP OF PAGE: Halloween celebration snacks featuring foods from the Milk & Alternatives and the Vegetables & Fruit food groups to make zombie fingers and eyeballs.

ABOVE: Grade 2 students in Langley enjoy english muffin pizzas and banana chocolate smoothies as part of their nutrition education unit.

+Milk

BC SFVNP + MILK

BC Dairy Association continued to partner with the provincial government and BC Agriculture in the Classroom Foundation to deliver portions of milk to Kindergarten, Grade 1 and Grade 2 students throughout BC. The milk is delivered as part of the BC Fruit & Vegetable Nutritional Program, which delivers fruit and vegetable snacks 13 times during the school year. The +MILK program has proven very popular, and the fact that it is limited to the youngest students has resulted in numerous comments from schools saying that they wish the older students could have the milk too.

In fact, recent research from University of British Columbia shows that students could definitely benefit from having milk available at school. While students consume about 33% of their day's calories at school, they are only getting about 24% of their dairy consumption during school hours. Clearly, there is room for improvement.

For the 2016-2017 school year, all parties in this partnership agreed to expand the program to include Grades 3, 4 and 5 on a pilot basis. We will be monitoring the process and how schools respond during this year.



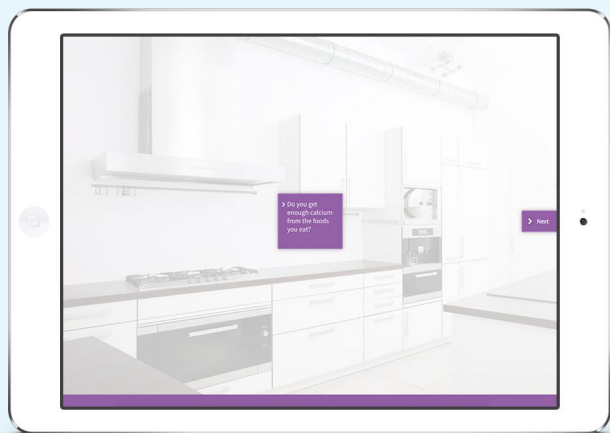
Mobile Calcium Calculator™

BC Dairy's immensely popular *Calcium Calculator*™ originally appeared as a brochure in 1985. The resource is designed to help people discover how much calcium they get from food and how that compares to national recommendations. It leads them through a process of planning to improve their diets if they need to. Most Canadians do need to improve their calcium intake.

Since 1985, the brochure has undergone review and revision many times to keep pace with newer recommendations and information. It's a testament to its good educational design that it continues to be one of our most popular resources decades later.

By the mid-1990s, *Calcium Calculator*™ went digital, with an interactive version of the resource that could be used on computers. It also evolved – from floppy disk to the current desktop version – however still could not be used on mobile platforms. Today, Canadians use the mobile platform more often than desktop. In 2016, BCDA launched a version of the *Calcium Calculator*™ suitable for iOS, Android and Windows devices. Now, people can use the *Calcium Calculator*™ in the version that suits them best.

Do you get enough calcium from the foods you eat?
Check it out...your body will thank you!



LEFT: Users of the digital version of the *Calcium Calculator*™ can explore the kitchen to discover new ways to get calcium from the foods they eat.

RIGHT: *Calcium Calculator*™ brochure

Reaching Physicians

During past years, we laid some nice groundwork to connect with physicians. We attended the *Spring and Fall Family Practice Conferences*, attended by several hundred BC physicians. The payoff came this past year, when physicians reached back to BC Dairy to make use of our nutrition education services. Workshops were presented to family practice residents through St Paul's Hospital and to medical students enrolled in a pediatric nutrition course at the University of British Columbia. This gave us the opportunity to showcase nutrition education resources and programs that would be useful to them in their practice. It also positions BCDA as a reliable source of information.

Nutrition Month Poster

Each year Dairy Farmers of Canada develops a *Nutrition Month* poster as part of a national campaign partnership with Dietitians of Canada. BC Dairy distributes the poster to health professionals and educators in BC. The 2016 poster proved to be one of the most popular in recent years. The posters remain in hallways and classrooms for years to come and can often be seen in the background of photos we take when we visit schools.



“ Congratulations on this year’s great poster. The food combinations look delicious and nutritious, and they’re bound to create good discussion about eating well. ”

“ This year even more people have stopped me in the hallway here at the school district head offices to tell me how much they like the 2016 poster! ”

Annual Nutrition Forum

This year's 2016 Annual Forum for health professionals, *How We Eat Matters: Addressing Challenges and Opportunities*, was a follow-up to the Annual Forum presentation in Spring 2015 by Ellyn Satter. Participants left the 2015 forum inspired to put Satter's advice into action.

The cornerstone of Ellyn Satter's advice is captured in her *Division of Responsibility in feeding*: it's the parent's job to do the 'what, when and where' of feeding while the children do the 'how much and whether' of eating. It can be confusing to parents to put this advice into action when they might have a health professional urging them to restrict or coerce a child to eat based on concerns related to body weight. As Satter points out, trying to take control over whether or how much a child eats is actually counterproductive to health.

So how can we share this message with other health professionals, educators and parents so that children hear consistent messages? BC Dairy was interested in bringing everyone together again to see if we could take collective action in this direction.



Carol Danaher, Ellyn Satter Institute Board President and Faculty Member

“Parents deserve to hear the same best practice feeding message from all of us. The Satter Division of Responsibility in feeding represents such a best practice.”

Carol Danaher, Speaker at the 2016 Annual Nutrition Forum

Carol Danaher, the keynote speaker at the 2016 Annual Nutrition Forum, spoke of her experience with the *Childhood Feeding Collaborative* in Santa Clara County, California. Through this collaborative, she spearheaded the idea of providing consistent messaging from pediatricians to educators. A panel of BC experts shared the work they are doing to spread the Division of Responsibility message.

It became clear that there is much support for moving this initiative for consistent messaging forward in BC. We need to work together to ensure families in British Columbia receive Division of Responsibility based feeding guidance from each of their health care providers.

This forum was supported by Dairy Farmers of Canada and by the Provincial Health Services Authority (PHSA). Support from the latter group helped ensure we had representation from every health authority attending this forum. PHSA will take on a leadership role to help us work together provincially to unify our message around feeding children.

 Gordon, RD
@goodfoodgord

Key idea again: families/parents need consistent msging - no wonder they are confused about how to feed their children #BCDAforum

 A DAY AGO

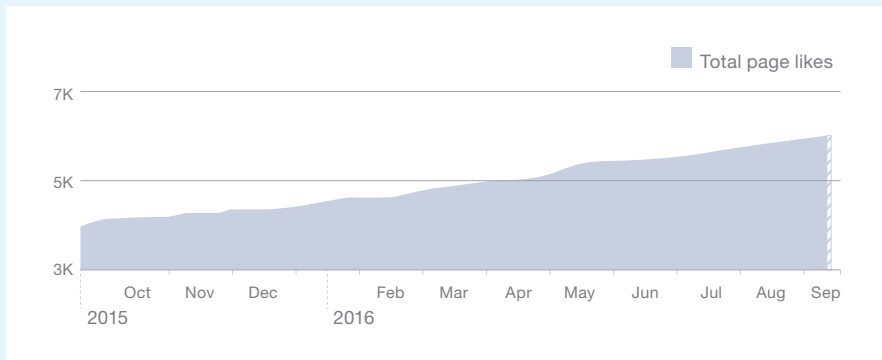
 nutriFoodie RD
@nutriFoodie_org

Carol Danaher, MPH, RD says "Enjoyable family meals is how you get there" - emphasis on 'enjoyable' #BCDAforum #obesityprevention

 A DAY AGO

Social Media

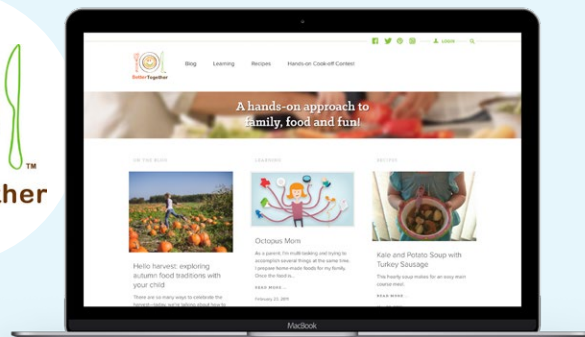
Better Together, the initiative to encourage and support families to eat together more often, experienced a new level of growth on social media, gaining followers with increasing rapidity. During the 2015–2016 year, we saw a 50% increase in the number of followers on Facebook alone. We shifted resources from Twitter (which still grew 6%), to invest more time on the Pinterest platform where our followers increased by 32%. We attribute this increase in engagement to continuous good messaging on these platforms, to our seasonal contests and to the highlight of the year – the *Hands-on Cook-off Contest*.



Seasonal Contests

In September 2015, we ran an *After Dinner Reads Contest* during the back-to-school season. Followers could tell us about their favourite books to read to children after dinner. By including the hashtag #btbookscontest, they were automatically entered into the contest to win an Amazon gift card worth \$100. During the holiday period we ran a holiday recipe exchange, for a chance to win a \$200 gift certificate to Cook Culture. Not only did we grow our bank of recipes on the *Better Together* website through this contest, but we gained a significant number of new followers for The *Better Together* initiative.

In the coming year we are adding Instagram to our social media platforms as it is such a popular platform for food-related activities.



7th Annual Hands-on Cook-off Contest

In an exciting development this past year, BC collaborated with Dairy Farmers of Manitoba for the *Hands-on Cook-off Contest*. Manitoba's contest ran parallel to the BC contest, following the same timeline and criteria, but with their own judges and prizes. Manitoba was very pleased with the results of their participation and hope to run the contest with us again.

In BC, we saw 40 entries, with contestants ranging in age from toddlers to a 94-year-old. The purpose of the contest is to show how cooking together is enjoyable, a key first step towards eating together more often. As has been proven again and again, this turns out to be very good news for dairy product consumption. This past year's contest was no exception, with 63% of the recipes in the contest using a significant amount of dairy ingredients – a great result considering that using dairy was not a contest requirement.

Our partnership with Global TV once again proved its worth. Contestants most frequently said they heard about the contest from Global TV. We also promoted the contest through secondary schools, particularly with home economics teachers, to try to engage youth to cook together. We were pleased to see that eight entries came from this source. Research shows that as youth become young adults, cooking and eating together among peers has the same benefits we see when families eat together. Good nutrition (including good dairy intake) and pro-social behaviour are among the benefits.

Overall, the contest resulted in good engagement from the community at large. Forty entries resulted in over 11,000 votes and close to 7,000 YouTube views, demonstrating the power of social media in delivering our message.



ABOVE: Three teens cooking together from contest.
BELOW: Mom and two kids from contest.



POWERED BY
CHOCOLATE
MILK

RECOVERY CAMP

MARKETING

REHYDRATE
REPAIR





Milk Every Moment

Milk Every Moment, a campaign created by the Strategic Marketing Alliance (SMA) — a collaboration between Milk West (BC Dairy Association, Alberta Milk, SaskMilk, and Dairy Farmers of Manitoba) and Dairy Farmers of Canada — launched the fourth year of its English speaking campaign. Aiming to reignite the positive memories that young parents (skewing towards adult women) have of drinking milk, the campaign's TV spots continued into the 2015/2016 year with *Not Everything Has To Change* theme. TV spots included “Birthday”, “Lunch”, and “Kitchen” adding a similar creative developed by Les Producteurs de Lait du Québec (PLQ), “Pickle”, in the fall of 2015.

SMA focused on a digital campaign that created new and unique content focused on milk moments and food pairings that were highly relevant to our Mom target. Creating a variety of content that was entertaining and useful, it was intended to help support moms by giving them easy solutions for meals and crafts to do with their children. Content included short “how-to” videos for quick recipes (named *Easy Eats*) and DIY projects using milk cartons and jugs. The videos were posted on Facebook and generated excellent organic reach, that was supplemented with paid advertising. Together, organic and paid reach generated high engagement with our audience. Engagement was based on Likes, Shares, Comments, Retweets, Replies and Favourites.

Following three years of collaboration, it was decided that SMA would wind-down at the end of the dairy year. *Milk Every Moment*'s final year was a positive one, as milk sales in the West increased 1.4 per cent, compared to the previous year's decrease of 0.4 per cent. Milk West will continue its partnership until December 31, 2016 and continue to collaborate on Western programs such as *Milk Mooves You*, *Milk Slam*, and *Snowglobe* experiential activations.





Powered by Chocolate Milk

The *No Hype. Just Help.* campaign continued from May to November 2015. Tactics included posters in gyms and recreation centres, online display advertisements and shelf blades in major grocery banners. The Contenders' Lounge continued its presence at extreme mud run events in the fall.

Throughout the year, a team of 24 athlete ambassadors across the West used social media to promote their passion for chocolate milk within their community. The athlete ambassador program continued to be a key component of the grassroots side of the Powered By Chocolate Milk (PBCM) campaign, extending program reach on social media and providing opportunities to garner media coverage. In 2015–2016, there have been 16 media posts on TV, in digital, and in print across the West. Our PBCM blogger ambassadors continued to promote chocolate milk as a recovery beverage to their followers. Since the spring of 2016, adding paid support on Facebook helped to boost the reach of our blog posts and to generate greater engagement, while being a cost effective way to increase traffic to our website. Targeted digital media in the form of banner advertisements, online search and Facebook ads continued to drive traffic to the Powered by Chocolate Milk website and blog.

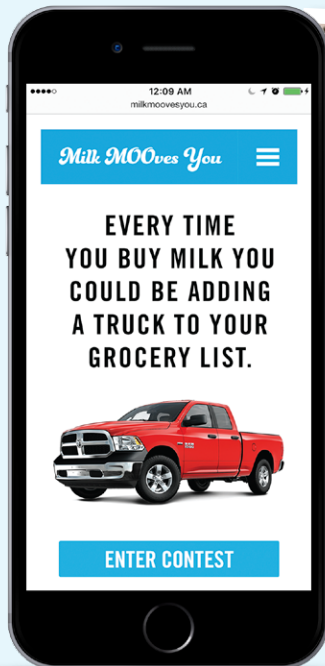
To grow the recovery beverage message, an on-pack program for chocolate milk was launched across the west in Spring 2016. Chocolate milk cartons carried the message on participating brands that included Dairyland, Lucerne, Island Farms, and Beatrice.

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

- The Recovery Camp was an evolution of the 2015 Contender's Lounge, intended to increase value to athletes at the point of sweat – the finish line. This year's focus was to provide an enticing space and an opportunity for athletes to warm up, cool down and stretch in our activation area. This allowed our activation teams to interact directly with athletes and deliver our chocolate milk for recovery message while providing a milk sample.
- Smaller events were attended by the Recovery Crew ranging from running to rugby, rowing to cycling, triathlon and many more. Our engaging Recovery Crew ambassadors, who were also kinesiology students, provided athletes with personalized recovery tips and a milk sample.

Milk MOOves You

The *Milk MOOves You* promotion was in market from March 21 to June 12, 2016 with the objective to grow the milk category volume by encouraging parents and families to purchase and drink more milk. This year's sweepstakes prizes included a Ram 1500 SXT and \$25 McCafé gift cards. Additionally, a partnership with McDonald's supplied a gift with entry of which over 152,000 coupons were printed. Participating processors across the West included Saputo and Parmalat. This year's winner was Mayflor C. from Winnipeg, MB.



Data from AC Nielsen, which tracked the promoted participating milk cartons and jugs, indicated that the program successfully influenced milk category behaviour across Western Canada.

In BC, those products featuring the contest outperformed the total market by 12.14% in actual volume. The program generated an approximate volume growth of +2% on a total milk basis. This translates to approximately +7.1 million incremental servings of milk consumed in Western Canada during the promotion, and 26,223,660 total impressions.

Plans are already underway to run this program again in Spring 2017.

MILK MOOVES YOU AT A GLANCE IN 2015/16

52,312,989

total impressions

151,366

unique entrants

724,580

entries

4.79

average number of codes entered per entrant

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. YouTube was the main social channel housing 61 episodes to date and the most popular among the community with over 29,000 subscribers that garnered over 13,600,000 views.

After two years in market, *Snack Time* continues to be a success. Milk West tested and evaluated the effectiveness of *Snack Time* through morphological research in the fall of 2015. Applying key learnings from the research, episodes increased focus on Carlton. Episodes following this research put Carlton front and centre to encourage greater positive results to consume milk while chilling at home.



SNACK TIME AT A GLANCE IN 2015/16

21

new videos produced
(61 in total)

16,816

new subscribers on YouTube
(29,154 total)

13.6 million

total views on YouTube

5,043

new Tumblr followers
(9,573 in total)



Experiential

The 2015–2016 fiscal year brought new activations to markets across the West. Although previous activations such as *Milkmobile* were successful, updating and introducing new activities keeps the milk message fresh and exciting for consumers.

Snowglobe

Building on the success of Alberta Milk’s winter program, *Snowglobe* — an inflatable, life-sized snowglobe — *Milk Every Moment* expanded the program to the Western provinces from November 2015 through to February 2016. Milk West captured guests’ winter memories that were fun, relevant, and shareable while warming the hearts and bellies of guests with real, hot chocolate milk at festivals and events. Milk donations from processor partners helped offset program costs enabling the program to reach over 33,900 British Columbians at 5 different events. The brand ambassadors distributed 6,590 samples in total.

Snack Time Sumo

Bringing Milk West’s beloved *Snack Time* characters to life, *Snack Time Sumo* invited teens to “fight” for snack supremacy as the best pairing with milk at summer fairs and festivals. Teens and their friends could take a break, chill and cheer on their favourite *Snack Time* characters while having milk and a snack themselves. *Snack Time Sumo* launched its summer tour in June, attended 6 events in BC, reached a total of over 43,600 people, and distributed 18,880 samples throughout the West.

Mom’s Playground

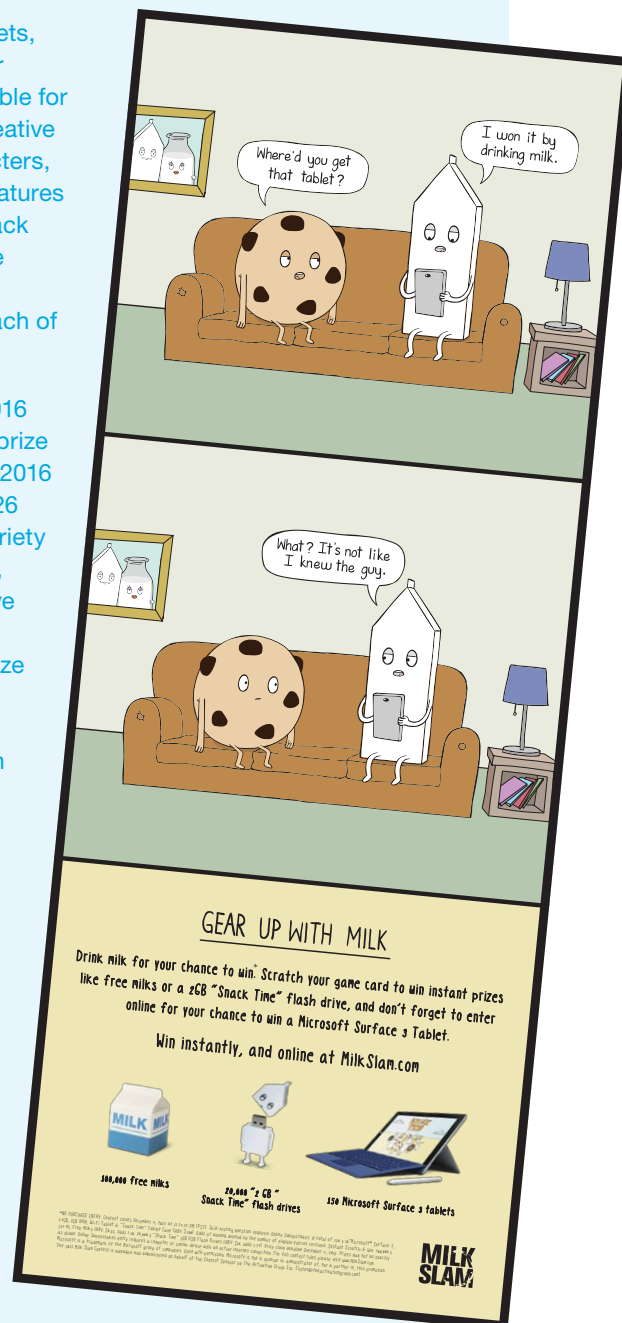
Mom’s Playground was designed to help moms periodically relinquish their adult responsibilities and let their inner child loose in our ‘80s outfitted trailer resembling a childhood bedroom. Moms were invited to come and relax, get pampered with a polish change or hand massage while enjoying their “milk-tini” and sharing their cherished memories from their youth. With the knowledge that their children were being supervised, moms were able to take a break and enjoy 15 minutes to pamper themselves. *Mom’s Playground* travelled across the West and attended 26 events in total (8 of which were in BC). The program engaged with 55,600 people, and distributed 20,480 samples. Milk donations from processor partners helped offset program costs.

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 variety of themed prizes when they buy milk.

In the 2015–2016 year, a technology prize component of 150 Microsoft Surface tablets, 20,000 Carlton USB flash drives, and over 100,000 free instant win milks were available for students to have a chance at winning. Creative elements featured our *Snack Time* characters, Chip and Carlton: a cartoon series that features our beloved milk carton character, his snack friends, and their misadventures. Over the 10-week program period, there were 658 participating cafeteria locations with a reach of 1.12 million students.

A spring survey was conducted in May 2016 among the target audience to learn what prize structures would be most appealing. The 2016 program will take place from September 26 through December 2 and will include a variety of prizes that include technology, apparel, music, and gift cards. Students will receive a scratch card each time they purchase milk and collect points to redeem their prize of choice. Alternatively, they can enter a weekly sweepstake for a chance to win prizes instead of obtaining a prize through point redemption.



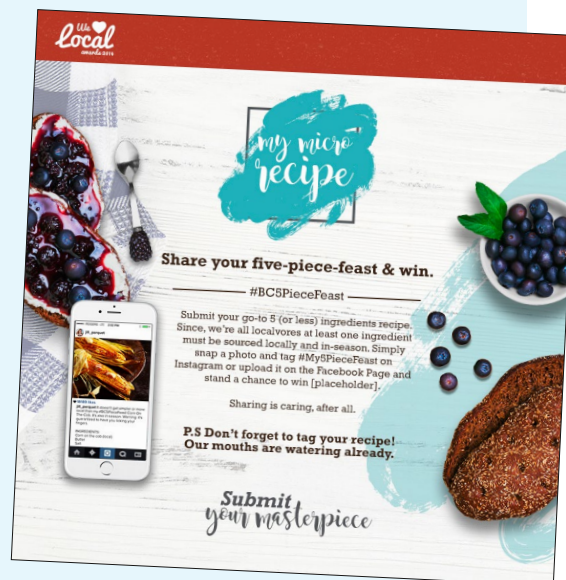
We ♥ Local / Building Public Trust

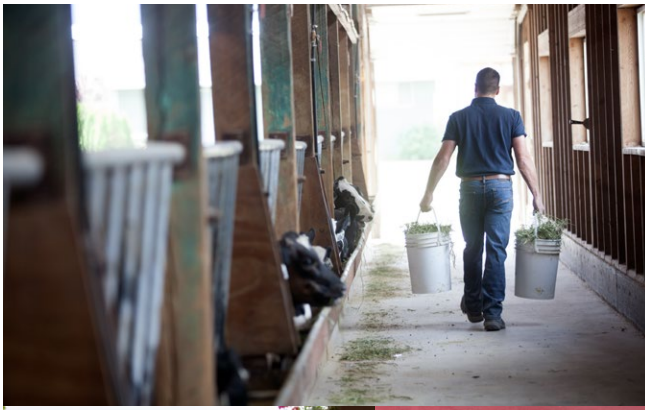
We ♥ Local (WHL) is a pan-agriculture initiative created in partnership with BC Agriculture Council (BCAC) in 2014. As the hub for BC's local movement, *WHL* aims to champion local food system constituents such as producers, processors, farmers' markets, retailers, and chefs/restaurateurs. The second *We ♥ Local* Awards, which took place from August 17 to September 15 2015, garnered a significant number of entries, votes, and news mentions – albeit without media support. Social media communities continue to grow – Facebook has a community of 31,015, Twitter has 7,846 and Instagram has 11,997 followers.

WHL engaged the community with a mini social contest called *Mini Recipe BC* that required community members to submit a 5-ingredient recipe using at least 2 BC products to win a \$250 grocery card. The 4-week contest had a reach of over 63,000, receiving 37 valid entries submitted by consumers all over the province. These consumers spent an average time of 4:45 minutes on the page.

In order to take the program to the next phase, a program audit was conducted with various stakeholders and industry members. A work plan was developed for the future of the program. The British Columbia Agriculture Council (BCAC) will be the driving force behind the program and BCAC's board agreed that there is a need to build public trust among consumers. A contractor will be hired to develop a sustainable model that will work collaboratively with various value chains, and streamline messaging and policies in all food systems within agriculture.

The evolution of the *WHL* program has commenced and efforts are being made to engage various sectors in its development in order to build public trust in the agriculture industry.







Graphics & Photography

BC Dairy Association's photo library requires ongoing updates and replenishment to maintain a fresh look and feel for our programs and materials; meaning new visual assets are needed each year. In this past 2015–2016 year, the team visited Creston and Chilliwack to film and / or photograph at Hanson Farms, West River Farm, Birchwood Dairies and Westenenk Farm, to name a few. The videos and photos will be used on the bcdairy.ca website as well as social channels to showcase the dairy industry and to educate consumers about a day in the life of a dairy farmer.

BC Dairy will continue to build a library of images and videos to showcase the dairy industry and its producers in the upcoming year. While continuing to build a portfolio of farmers from the Fraser Valley, there will also be a focus on other BC regions that have not yet been captured.



COMMUNITY & PUBLIC ENGAGEMENT

MILK 8
one to pasteurize that milk!
m for the top to
reach 72°
roll the ball up the
and set your score.
(please do not throw the ball)
I try BALL

THE
IMPORTANCE
OF
QUALITY
MILK

A
DAY
IN THE
LIFE
OF A
FARMER

A DAY
IN THE
LIFE
OF A
DAIRY

GOAT
CHOICES

GOAT
BREAKFAST

THE IM
CA
QUA



WHAT I



Mobile Dairy Classroom

The *Mobile Dairy Classroom Experience* (MDCE) has had another highly successful year. The program has seen significant staff and program restructuring as part of BCDA's ongoing efforts to refine messaging and to resonate with children and members of the public across the province. This year MDCE visited events throughout the summer and made presentations at 98 schools. While focused around events in the Lower Mainland, the program also toured much of the province, appearing at events in the Okanagan, Salmon Arm, Prince George and Vancouver Island.

Additionally, the program expanded this year with an all-new standalone presentation at the Vancouver Pacific National Exhibition (PNE). Our presence at this event allowed us to reach and interact with well over 250,000 attendees – many of whom live in the city and are strongly disconnected from agriculture. The presentation included an explanation of BC's dairy industry and standard industry practices and also featured a live milking demonstration. Interactive carnival-style games further reinforced dairy industry facts and practical science. This inaugural year was a great success, and served as a strong addition to BCDA's portfolio of out-facing engagements with the public.



MOBILE DAIRY CLASSROOM AT A GLANCE IN 2015/16

98

total school visits

350 kids

average school size

34,300 kids

total direct impressions

BC School Sports

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 its final year of a three-year partnership with BCSS, BC Dairy is able to keep milk top of mind with high school student athletes while promoting school spirit, a healthy lifestyle, and community involvement. Each fall and spring, select sports receive in-kind support for their student athletes at the championships. This year, in-kind sponsorship was provided to Senior Boys Soccer, Senior Boys Football, and Senior Girls Field Hockey. In total, BC Dairy had a reach of up to 17,625 impressions (students and spectators), 3,550 print and 495,800 electronic impressions for the 2015-2016 year.

BC Dairy has re-signed another 3-year commitment to continue supporting BC School Sports and select sport championships. In the 2016-2017 school year, BC Dairy will support gymnastics and track and field. To better communicate milk as a post-activity recovery beverage, an ambassador group (*Powered By Chocolate Milk Recovery Crew*) will visit select championship events to better impact students with one-on-one messaging.

BCSS continued to help promote a long-standing tradition at BC Dairy. *Milk Run*, a 3 km run, walk, or bike, takes place at participating high schools across BC. BCSS included the event in the 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 from 20 schools in 2015 to 16 schools in 2016.



A photograph of two men standing outdoors under a vine-covered pergola. The man on the left is wearing a plaid shirt and jeans, and the man on the right is wearing a dark polo shirt and shorts. Both are smiling. The image has a blue color overlay.

PRODUCER RELATIONS



Breakfast on the Farm

Last year marked the first British Columbia-based *Breakfast on the Farm* event which we ran in partnership with the North Okanagan Dairy Extension Advisory Committee and Kamloops Okanagan Dairy Association. Last year's event was regarded as a big local success, so the event ran again this year, and was hosted by Tom Veldhuisen of Veldhuisen Dairy Farm on June 10th and 11th. The first day was exclusively for touring elementary schools, and the second day was open for the public to attend. Over 350 students attended on day one, and on day two, the event attracted well over 1,000 people. Breakfast was prepared and served by the local Lions Club. On July 16th, the Vancouver Island Milk Producer's Association hosted their own very successful Breakfast on the Farm event at Morningstar Farms which was hosted by Clarke Gourlay. Over 700 people attended and breakfast was handled by the regional Shriners Association.

Member Benefits

The Member Benefits program offers ongoing savings to BC dairy producers. The program offers savings for on-farm expenses such as fuel, insurance and telecommunications, as well as travel discounts such as hotels and car rentals. Producer feedback has been positive and all producers are encouraged to utilize the program. Links to monthly offers are embedded within the monthly Dairy Producer Newsletter or alternatively, producers can log on to the producer section of the BC Dairy website for specific content and offers.



The proAction Initiative

In BC, 98 per cent of farms are fully compliant with the *proAction Initiative*. This requires a full on-farm validation once every two years, and a self-declaration every other year. Random audits are conducted on 5 per cent of self-declarations each year.

Food Safety (formerly CQM)

BC Dairy (BCDA), along with provincial associations in the other provinces, successfully implemented a revision to proAction-Food Safety (formerly CQM) in April 2016. Most of the modifications were simply to clarify the intent of the questions. The main change was the addition of the Cattle Health Declaration form, which must be signed annually by a farm's herd veterinarian.

Animal Care

In November 2015, BCDA began the implementation of proAction-Animal Care on farms across BC. To date, over half the farms in BC have been validated on Animal Care. These on-farm validations take place at the same time as proAction Food Safety validations.

Through the first two years of the Animal Care program, the focus is on training and education. If a producer has not yet had their first on-farm Animal Care validation yet, they can contact the BCDA office for Standard Operating Procedures (SOP) templates and records.

Integrated Pilot Project

In the upcoming fiscal year, we look forward to completing an integrated pilot project that will address the entire proAction program (including Food Safety, Animal Care, Livestock Traceability, Biosecurity and Environment) on-farm. Working with the other provincial dairy associations, this pilot project will assist us in effectively implementing all the pillars together. Participation in the pilot project is a great opportunity to provide practical feedback. Producers who are interested in volunteering their farm for the pilot project are invited to contact the BCDA office.

BC Dairy Industry Conference

Jointly presented by BC Dairy Association (BCDA) and BC Milk Marketing Board (BCMMB), the 2015 BC Dairy Industry Conference took place on November 25-27, 2015. The conference welcomed 549 fellow producers, sponsors, exhibitors, local government, industry affiliates, and speakers who gathered at the Fairmont Pacific Rim and Fairmont Waterfront Hotels, making 2015 the most attended conference in 7 years. The conference precedes the AGMs for both BCMMB and BCDA.

Sponsorship of the conference has expanded to include a whole variety of industry suppliers and contributors. The conference brings the entire dairy industry under one roof.



Producer Communications

BC Dairy Producer Newspaper

The BC Dairy Producer Newspaper is a quarterly publication that presents detailed information about industry-specific issues and initiatives that are of direct concern to BC dairy farmers.

BC Dairy Producer Online News

This is the companion publication to the BC Dairy Producer Newspaper. This electronic publication is emailed out monthly, and features content and event information of a more timely nature. In addition, it serves to notify producers of current Member Benefits Program offers.

Dairy Industry Research and Education Committee

The Dairy Industry Research and Education Committee (DIREC) continues to offer multiple scholarships to dairy-focused students and funds a variety of dairy specific research projects on topics such as nutrient separation in manure, use of nitric oxide as treatment for digital dermatitis, and probiotics to reduce mastitis, to name a few. On a national level, a new dairy research council has come into effect with the goal of establishing national research priorities. In coming months, DIREC will work to merge these priorities into its committee mandate.

DIREC AT A GLANCE IN 2015/16

16

total number of applications

8

total number of approved applications

\$87,000

total funding distributed



The background image is a landscape photograph with a blue color overlay. It shows a wide, flat field in the foreground, likely a farm, with several large, rectangular hay bales scattered across it. In the distance, there are rolling hills or mountains under a sky filled with soft, white clouds. The overall tone is serene and agricultural.

FINANCIAL STATEMENTS



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Canada
Telephone (604) 793-4700
Fax (604) 793-4747

INDEPENDENT AUDITORS' REPORT

To the Members of British Columbia Dairy Association

We have audited the accompanying financial statements of the British Columbia Dairy Association, which comprise the statement of financial position as at July 31, 2016, the statements of operations, net assets and cash flows for the year then ended, and notes and schedules, 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 the British Columbia Dairy Association as at July 31, 2016, 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.



Page 2

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 15, 2016

Chilliwack, Canada

Statement of Financial Position

as at July 31, 2016

	2016	2015
CURRENT ASSETS		
Cash	\$ 3,333,599	\$ 2,661,578
Contributions and accounts receivable (note 3)	1,351,151	1,582,616
Prepaid expenses	75,652	74,605
Promotion and nutrition project supplies	159,843	115,675
	4,920,245	4,434,474
Capital assets, net (note 4)	15,048	77,866
	\$ 4,935,293	\$ 4,512,340
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 5)	\$ 305,351	\$ 342,667
Deferred contributions (note 6)	62,000	60,000
	367,351	402,667
NET ASSETS/(DEFICIT)		
Producer Services and General Fund	68,648	(43,705)
Marketing and Nutrition Education Fund	4,135,868	3,716,737
Dairy Industry Research and Education Fund	363,426	436,641
	4,567,942	4,109,673
Commitments (note 7)		
	\$ 4,935,293	\$ 4,512,340

See accompanying notes to the financial statements.

Approved by the directors



Dave Taylor
Chair, Board of Directors



John Kerkhoven
Chair, Finance and Audit Committee

BRITISH COLUMBIA DAIRY ASSOCIATION

Statement of Operations and Net Assets

for the year ended July 31, 2016

	Producer Services and General Fund	Marketing and Nutrition Education Fund	Dairy Industry Research and Education Fund	2016 Total	2015 Total
REVENUES					
Contributions from dairy producers (note 8)	\$ 1,062,529	\$ 6,338,537	\$ 106,021	\$ 7,507,087	\$ 6,937,092
Recoveries and other contributions	108,000	49,386	28,977	186,363	518,165
Interest	12,129	-	-	12,129	28,294
	1,182,658	6,387,923	134,998	7,705,579	7,483,551
EXPENSES					
Marketing and Nutrition Education projects (Schedule A)	-	4,023,954	-	4,023,954	4,631,707
Producer Services and Dairy Industry Research and Education projects (Schedule B)	584,096	-	208,213	792,309	956,325
Labour (Schedule C)	325,553	1,302,213	-	1,627,766	1,616,906
General and administration (Schedule D)	160,656	642,625	-	803,281	710,114
	1,070,305	5,968,792	208,213	7,247,310	7,915,052
Surplus/(deficit) of revenues over expenses	\$ 112,353	\$ 419,131	\$ (73,215)	\$ 458,269	\$ (431,501)
Net Assets/(deficit), start of year	(43,705)	3,716,737	436,641	4,109,673	4,541,174
Net Assets, end of year	\$ 68,648	\$ 4,135,868	\$ 363,426	\$ 4,567,942	\$ 4,109,673

See accompanying notes to the financial statements.

BRITISH COLUMBIA DAIRY ASSOCIATION

Statement of Cash Flow

for the year ended July 31, 2016

	2016	2015
Cash flows from operating activities		
Cash received for contributions and recoveries	\$ 7,925,873	\$ 7,149,272
Cash received for interest	13,171	29,867
Cash paid for labour, materials and services	(7,259,822)	(7,923,541)
Net cash inflow/(outflow) from operating activities	679,222	(744,402)
Cash flows from investing activities		
Purchase of capital assets	(7,201)	(16,446)
Net cash outflow from investing activities	(7,201)	(16,446)
Increase/(decrease) in cash	672,021	(760,848)
Cash, beginning of year	2,661,578	3,422,426
Cash, end of year	\$ 3,333,599	\$ 2,661,578

See accompanying notes to the financial statements.

BRITISH COLUMBIA DAIRY ASSOCIATION

Schedules of Expenses

for the year ended July 31, 2016

Schedule A: Marketing and Nutrition Education Expenses

	2016	2015
MARKETING		
Marketing programs for British Columbia	\$ 152,894	\$ 188,813
Share of expenses for marketing partnerships with other provinces	3,159,294	3,762,118
	3,312,188	3,950,931
NUTRITION EDUCATION		
School based programs	351,779	392,464
Programs for public and health professionals	155,991	126,740
	507,770	519,204
COMMUNITY AND PUBLIC ENGAGEMENT	203,996	161,572
	\$ 4,023,954	\$ 4,631,707

Schedule B: Producer Services, Dairy Industry Research and Education

	2016	2015
PRODUCER SERVICES		
Dairy Farmers of Canada member dues	\$ 264,164	\$ 250,886
Dairy Farmers of Canada AGM (Note 11)	-	230,810
Contributions to regional organizations	110,456	106,876
BC Agriculture Council member dues	57,329	56,710
BC Dairy Conference	63,259	57,724
Producer Services and Communications	88,888	79,900
	584,096	782,906
DAIRY INDUSTRY RESEARCH AND EDUCATION		
Research and Education Projects	190,549	154,182
BC Dairy Expo	17,664	19,237
	208,213	173,419
	\$ 792,309	\$ 956,325

BRITISH COLUMBIA DAIRY ASSOCIATION

Schedules of Expenses

for the year ended July 31, 2016

Schedule C: Labour expenses

	2016	2015
Salaries and wages	\$ 1,345,301	\$ 1,337,723
Employee benefits and payroll taxes	222,186	229,363
Employees' professional dues, development and recognition	28,965	23,637
Labour subcontracts	21,509	20,263
Recruiting	9,805	5,920
	\$ 1,627,766	\$ 1,616,906

Schedule D: General and administration expenses

	2016	2015
Directors' fees and expenses	\$ 196,117	\$ 166,185
Travel	187,596	168,662
Rent and offices expenses	147,145	138,631
Conferences and meetings	43,475	21,928
Computers	32,485	22,709
Postage and couriers	27,037	23,800
Telephone and communications	25,633	24,554
Professional fees and consulting	24,978	9,513
Audit, accounting and legal	23,196	24,823
Insurance	19,691	17,438
Interest and bank charges	3,698	4,334
Vehicles	2,211	4,137
Amortization	70,019	83,400
	\$ 803,281	\$ 710,114

Notes to the Financial StatementsYear ended July 31, 2016

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.

Notes to the Financial Statements

Year ended July 31, 2016

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.

Notes to the Financial Statements

Year ended July 31, 2016

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

	2016	2015
Receivable from Dairy Industry Development Council	\$ 1,326,771	\$ 1,250,496
Receivable from Receiver General for GST	-	78,094
Other contributions and accounts receivable	24,380	254,026
	\$ 1,351,151	\$ 1,582,616

4. Capital assets

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Computer equipment	\$ 116,287	\$ 114,926	\$ 1,361	\$ 2,062
Furniture and fixtures	169,655	160,251	9,404	22,851
Vehicles	65,392	61,109	4,283	5,711
Leasehold improvements	240,523	240,523	-	47,242
	\$ 591,857	\$ 576,809	\$ 15,048	\$ 77,866

Notes to the Financial Statements

Year ended July 31, 2016

5. Account payable and accrued liabilities

	2016	2015
Payable to suppliers for supplies and services	\$ 151,299	\$ 196,274
Payable to Receiver General for GST and source deductions	71,685	21,135
Payable to/on behalf of employees for wages and benefits	82,367	125,258
	<u>\$ 305,351</u>	<u>\$ 342,667</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.

	2016	2015
Deferred contributions, beginning of year	\$ 60,000	\$ 60,000
Less amounts recognized as revenue in the year	(60,000)	(60,000)
Add amount received for future expenses	62,000	60,000
Deferred contributions, end of year	<u>\$ 62,000</u>	<u>\$ 60,000</u>

7. Commitments

The Association has commitments under operating leases as follows:

	Expiry date
Premises	June 30, 2021

The Association has an option to terminate the lease at June 30, 2019 for a payment of \$18,724.

The future minimum rental payments required under the operating leases as at July 31, 2016 are as follows:

2017	\$ 56,172
2018	56,172
2019	56,172
2020	56,367
2021	<u>53,637</u>

Notes to the Financial Statements

Year ended July 31, 2016

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 \$7,507,087 (2015—\$6,937,092) to the Association. At July 31, 2016, \$1,326,771 (2015—\$1,250,496) 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, 2015. The Council's complete financial statements are available to members upon request.

DAIRY INDUSTRY DEVELOPMENT COUNCIL

	2015	2014
FINANCIAL POSITION as at December 31		
Total assets	\$ 3,029,325	2,795,451
Total liabilities ⁽¹⁾	\$ 2,092,833	\$ 1,930,093
Total net assets	936,492	865,358
	\$ 3,029,325	\$ 2,795,451
RESULTS OF OPERATIONS year ended December 31		
Total revenues	\$ 12,368,723	\$ 11,636,221
Fluid products promotion	6,136,138	5,792,456
Industrial products promotion	5,086,502	4,832,039
Producer services, industry activities and administration	996,534	911,007
Research and Education	75,415	46,138
Total expenses ⁽²⁾	12,297,589	11,581,640
Excess of revenues over expenses	\$ 71,134	\$ 54,581
CASH FLOWS year ended December 31		
Cash flows from operating activities	\$ 176,960	\$ 139,613
Increase in cash	\$ 176,960	\$ 139,613

(1) Total liabilities include \$1,295,182 (2014 - \$1,183,681) due to the Association.

(2) Total expenses include contributions of \$7,195,485 (2014 - \$6,736,114) to the Association.

Notes to the Financial Statements

Year ended July 31, 2016

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, 2016 amounted to \$42,779 (2015—\$56,944).

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, 2016.

- 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.





BC DAIRY ASSOCIATION

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