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I'm honoured to write my first annual report message as the Chair of the BC Dairy Association. As I draft this letter, I am reminded of how transitional 2018–19 has been, both for our organization and the industry as a whole.

This year, after many years of service to the BC dairy community, Paul Hargreaves stepped down as General Manager. Board member Ken Miller stepped in for several months, before the hiring of Jeremy Dunn as our permanent General Manager. On behalf of the BC Dairy Board of Directors, I'd like to extend our sincere gratitude to both Paul and Ken for their commitment during their respective tenures. I'd also like to formally welcome Jeremy to our team!

In 2018–19, BC Dairy continued to work on numerous different programs on your behalf. Our registered dietitians updated their nutrition education materials to ensure dairy foods are still featured prominently in the context of Canada's food guide. 2018 also brought new opportunities for provincial marketing. TAXI Vancouver was hired as BC Dairy's advertising agency in June, and our Marketing department worked closely with them to develop a new fluid milk campaign.

Within our proAction team, significant effort was put towards planning for the Biosecurity Pillar roll-out. BC Dairy's proAction Coordinators delivered producer information workshops in each of our milk producing regions, in addition to connecting with vets and service providers.

We also continued to work on both national and provincial challenges to our industry. In the aftermath of the signing of the Canada-United States-Mexico (CUSMA) trade agreement, we have been working closely with Dairy Farmers of Canada (DFC) to advocate for no future concessions regarding our sector in trade deals.

Provincially, we have engaged in many issues, including the Agricultural Environmental Management (AEM) Code of Practice, the Water Sustainability Act, and assisting producers in protecting the security of their farm. We commit to keeping you updated on progress, and welcome hearing from you at any time if there's a provincial issue you feel should be raised.

On behalf of our Board of Directors, I'd like to thank our staff, our Directors and our industry partners for their on-going dedication to our organization. I'd also like to thank BC dairy producers for your participation in both your local producer groups, and within our wider industry.

This Association represents your collective interests. We value your feedback, as it assists us in serving you to the best of our ability. I encourage all who read this report to share feedback on our activities to your producer representatives on our board.

Sincerely,

Holger | Chair, BC Dairy Association



+ MILK / Connecting students to dairy



Schools enrolled in the BC School Fruit & Vegetable Nutritional Program, managed by BC Agriculture in the Classroom, can also participate in +MILK. Schools receive fresh, local milk for their kindergarten to grade 5 students, thanks to a partnership between the BC Ministry of Health and BC Dairy.

According to the first dietary guidelines in Canada's new Dietary Guideline document, "nutritious foods are the foundation for healthy eating." The document also states that "vegetables, fruit, whole grains, and protein foods should be consumed regularly," while outlining that milk is one of the protein foods that can be consumed regularly.

In the 2018–2019 school year, the +MILK program delivered milk to over 155,000 students. The program provides teachers with resources, such as "A Cow's Tale," a series of information and activity sheets that introduces students to the world of dairy farming.

BC Dairy is continuing this partnership in the 2019–2020 school year.





BETTER TOGETHER

Celebrating a decade of connecting families, food and fun!

Better Together is BC Dairy's initiative to support and promote cooking and eating together among families. We are committed to this initiative because we know that it helps people eat more healthfully, including consuming more dairy products.



A dynamic and growing community

This year, *Better Together* continued to grow our community through outstanding bi-monthly blog posts, community recipes, and custom quotes which facilitate lively interaction on Facebook and Instagram.

And our reach just keeps on growing:

- Facebook likes increased 29% from June 2018 to June 2019
- Following on the heels of last year, our Instagram followers increased by 77%
- We developed stronger Community
 Partnerships with bloggers, health authorities, and community groups. By tweeting, sharing, tagging, promoting contests, submitting recipes and more, these partners support Better Together's mission.

Going forward into our second decade, we will continue writing blogs and growing our social media. We will also continue to develop relationships with new and existing community partners, finding innovative ways to collaborate and promote cooking and eating together.

You don't have to cook fancy or complicated masterpieces – just good food from fresh ingredients.

- Julia Child, Instagram post

Hands-on Cook-off contest celebrates a decade of food and fun in the kitchen

This year, the *Hands-on Cook-off* turned 10, and our contest focused on the theme Making Memories in the Kitchen. Thirty-seven amazing videos poured in from 17 communities across BC, including many new entrants. Our panel of seven judges noted they loved all the diversity and cultures the contest brought in and how the contest entries really invited you into all the different kitchens.

We chose an innovative marketing strategy using social media influencers, and it paid off—we reached over 350,000 people between our social media and our influencers during the contest! In addition, the *Hands-on Cook-off* contest was picked up by 65 media outlets.



We're cooking up some new ideas for 2020, so follow *Better Together* to see where we go:

- f /bettertogetherbc
- /bettertogetherbc
- P /bbettertogether

CALCIUM CALCULATOR™



Calcium Calculator[™] is a mobile health app that engages users to find out if their diet meets calcium recommendations.

Along the way, they will discover calcium-rich foods and simple ideas for how to use them, and will set personalized Action Plans to eat better.

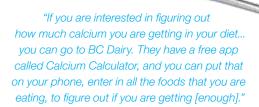
We know that many Canadians don't get enough calcium: more than half of women aged 31–50 have inadequate intakes from food sources, and inadequacy rises to above 70% among teenage girls, women over 51 years, and men over 70 years. Although most Canadians (94%) consume dairy products, people still need support to consume enough calcium-rich foods.

Calcium Calculator™ is validated to give people an accurate assessment of their calcium intake. More importantly, it is designed to encourage people to make changes and maintain new habits. By making this tool available as a mobile app, we are extending the reach of BC Dairy's reliable and accurate Nutrition Education resources onto the platforms and devices where many Canadians are spending their time.



In the year since the release of the Calcium Calculator™ app, additional reasons to support this important healthy eating tool have emerged. The January 2019 release of Canada's food guide combined Milk and Alternatives and Meat and Alternatives into one food grouping (Protein Foods). We have been hearing from health professionals and educators who recognize Canadians need further guidance to ensure adequate nutrition needs are met, and specifically, that tools to support adequate calcium intake are needed.

Dietitian Diana Steele recommended our app on Global News this past February, saying:



Looking forward, we are undertaking updates to improve the app and engaging in a coordinated marketing effort. We will be continuing our partnership with Dairy Farmers of Canada and are now also partnering with Dairy Farmers of Manitoba.



Already our Calcium Calculator™ app is having impacts:

We've experienced **over 6,000 downloads**, helped create thousands of action plans... and **over 70% of plans use dairy products**.

FOOD EXPLORERS

Food Explorers is a BC Dairy nutrition education program for kindergarten and grade 1 classrooms. It is designed to help students become familiar with a variety of foods and to build their confidence and willingness to try new foods.

During the past two school years, BC Dairy worked with the UBC School of Population & Public Health and a masters degree candidate to conduct an evaluation of classrooms using the *Food Explorers* program. The research was designed to determine if the program helps students overcome neophobia, an aversion to new foods, as well as pickiness, or the avoidance of familiar foods. In addition, parents and teachers were surveyed to find out about their experiences with the program and to determine if any improvements could be made.

Findings

Teachers were overwhelmingly positive about the program, noting that activities were easy to complete and that students wanted to participate. They felt confident in their ability to teach the materials, and 90% said the program did indeed help children try new foods. They noted overwhelmingly that they would teach the program again and recommend it to others.

A majority of parents reported an increased willingness for trying new foods at home, and 75% reported that their child shared recipes from the program. Parents noted that their children were talking more about foods and wanting to try new things more often since the program started.

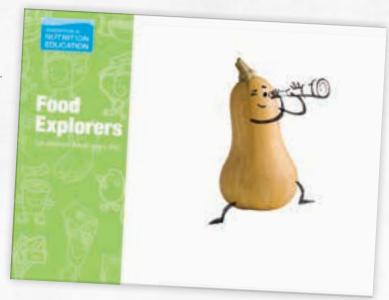
Pre and post tests with children showed that the program improved their willingness to try new foods.

She was very excited about most of the recipes in the program....

L believe seeing her peers enjoy them really opened her up as well.

7 7

- Parent



Recommendations and revisions

The researcher noted that tools such as parent letters translated into additional languages, online access to recipes, and new recipes would help teachers with the implementation of the program.

Following the evaluation, BC Dairy translated the parent letter into Punjabi. Teachers are also very appreciative of the new information BC Dairy developed to help them connect the program to new curriculum.

In addition to these changes, BC Dairy revised Food Explorers to ensure it aligns with Canada's new food guide. A new food was subsequently introduced to our program: cottage cheese. Along with the addition of cottage cheese to our resources, the teacher guide contains a number of new recipes that include this new ingredient as well.





MINI FOOD GRANTS

Every year, BC Dairy awards mini food grants to BC teachers who are using one of our nutrition education programs. The grants of \$50-\$150 help teachers purchase food to enhance nutrition lessons and inspire students to be healthy eaters. The 2018-2019 school year was record-breaking, as 206 teachers received mini food grants. We look forward to continuing to support teachers with their hands-on nutrition education.

Here's a taste of what teachers had to say:

We are deeply grateful for the assistance and programming that the BC Dairy Association provides to classroom teachers... Thank you for providing us the opportunity to bring fresh, healthy, local foods into our classrooms and teach our students healthy choices for life.

- Angela Derume & Kelsey McPhail Grade 1 teachers, Kelowna, BC







NUTRITION EDUCATION IN SCHOOLS

Teacher interest in nutrition education surging

BC Dairy's nutrition education programs for the K-12 years make it easy to teach nutrition. Teachers everywhere in BC can participate in professional development sessions to receive colourful materials and great ideas for making nutrition come alive in the classroom.

During the 2018–2019 school year, BC Dairy saw a resurgence of teacher interest in nutrition education workshops. This was especially notable starting in January 2019, even before the announcement of a new food guide. During the course of the year, our events reached teachers in 186 schools and about 13,000 students.

Based on evaluations conducted on our core nutrition education programs, we can say with certainty that students participating in these programs actually improve their food choices. The two most common improvements made are increased consumption of vegetables & fruits, and increased consumption of dairy products.



New food guide and nutrition education in schools

With the release of Canada's food guide on January 22, 2019, BC Dairy nutrition educators sprang into action to reassure teachers they could continue using BC Dairy nutrition education programs, and that milk and dairy products continue to play a vital role in both the diets of Canadians and in Canada's food guide.

BC Dairy nutrition education programs support many of the key messages in Canada's new food guide. They encourage eating a variety of healthy foods each day, cooking more often, and eating meals with others including foods from various food groupings.

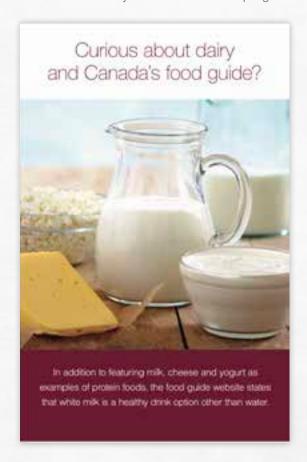
Though the food guide now merges dairy foods with other protein foods, teachers are accepting the idea that it is still worth teaching nutrition using our resources. While waiting for revisions to the current BC Dairy programs to be complete, BC Dairy nutrition educators are hard at work updating resources to bring them more in line with Canada's food guide. Work on this can't be completed until further guidance is issued from federal and provincial governments to address details such as the amounts and types of foods that will help Canadians meet their nutrient needs. It is well known, based on the Canadian Community Health Survey, that dairy products play an important role in the daily choices Canadians make. On the survey day, nearly 94% of Canadians chose dairy.

A new brochure, entitled *Curious about* dairy and *Canada's food guide?* outlines the importance of dairy in the Canadian diet and how it continues to play a role in our food guidance.



Grade 1 students sample fresh homemade bread as part of their nutrition education program.

Early indications in the 2019–2020 school year show that teacher interest in nutrition education continues to be very strong. Our new national food guidance has not been a deterrent to teacher interest in BC Dairy nutrition education programs.





Virtual workshops

In the fall of 2018, BC Dairy began organizing live, virtual teacher workshops for our core nutrition education programs: Food Explorers, Food For Us!, Food Sense, and Passport to Healthy Living. The addition of virtual workshops to our traditional in-person workshop option provides teachers with increased access to BC Dairy's curriculum-linked nutrition education programming and helps more students learn how to eat healthy.

Joining a workshop is easy. Teachers simply select from a list of workshops offered before or after school, or on Professional Development days. A workshop kit is mailed to attendees to help facilitate the learning experience and to familiarize teachers with the wide variety of BC Dairy programming, partnerships, and grant opportunities.

To promote our virtual workshop option, we used a combination of Facebook ads, announcements on the BC Milk Facebook page, and word of mouth. Since its launch, 21 teachers and one registered dietitian attended virtual workshops, reaching over 237 students. Attendees joined from Nanaimo, Victoria, Surrey, Prince George, Vanderhoof, Kootenay Lake, and more.

BC Dairy will continue to promote virtual workshops to teachers throughout the province in the 2019–2020 school year. Interest is already high for both virtual and in-person workshops. If you are looking to get involved, follow BC Milk on Facebook, then like and share our posts when you see virtual workshop promotions!

Teacher survey responses on the virtual workshop experience showed:

- 100% were either very satisfied or satisfied with their experience.
- 100% were very likely to recommend it to other teachers.





TAKE A BITE OF BC

Celebrating 10 years!

Take a Bite of BC continues to promote cooking with dairy in BC

2019 marked the 10th year anniversary for *Take a Bite of BC!* This year alone, 72,000 secondary students from 55 culinary arts programs across BC received local cheese and BC milk for use in their culinary education. The teaching chefs are always extremely appreciative of this opportunity to work with great tasting local milk and cheese from across the province.

Thanks to the commitment from BC's dairy farmers, cheese makers, and distributors, students learned new recipes, explored a variety of locally produced dairy products, and had the opportunity to showcase their culinary creations for fellow students and teachers.



Broccoli and cheese manicotti

Penne with Village Cheese parmesan Broccoli and cheese stuffed chicken

In April, all participating schools received just under 8 kg of Naramata Bench Blue and Double Cream Camembert from Poplar Grove in Penticton, BC. Parmesan and Medium Cheddar were provided by The Village Cheese Company in Armstrong, BC. In February, participating schools each received 16 litres of milk.

Take a Bite of BC continues to train and inspire the next generation of chefs through a partnership between BC Agriculture in the Classroom Foundation, the BC Culinary Arts Specialist Association, and a number of BC commodity groups, including BC Dairy.



Looking ahead to the 2020 program, BC Dairy promises to deliver the same level of commitment as in years past. If you are wanting to participate in this program, connect with the nutrition educators at BC Dairy to learn more about the Spotlight Series, which brings farmers into schools to talk with students about what they do.

The students made homemade ricotta cheese. As the milk curdled, the students asked "What is this liquid?" I said it is the whey, reminding them of the nursery rhyme "Little Miss Muffet sat on her tuffet eating her curds and whey."

The cheese then became a spinach ricotta stuffing for the stuffed chicken breast.

The students also prepared a chocolate pudding that was very popular.

- Chef Renee Thomas, Queen Elizabeth Secondary



FLUID MILK CAMPAIGN

Pour a Little Happiness highlights the lighter side of milk through iconic milk moments

In June 2018, BC Dairy conducted a comprehensive RFP process that resulted in hiring a new advertising agency-TAXI Vancouver. Together, we developed a new fluid milk campaign called *Pour A Little Happiness*.



Featured TV Spots: (above) "Bubbles", (below left) "Dunk", (below right) "Moustache"



The campaign was supported with a robust media plan targeting BC adults aged 19–59, that included TV, digital video, social media, cinema and outdoor advertising. The campaign was on air throughout 2019. The next evolution of *Pour A Little Happiness* is in development, and will launch in spring 2020.

The concept for *Pour A Little Happiness* was developed based on research that showed consumers are most likely to increase their consumption of milk when ads elicit emotions of happiness and pleasure. The campaign drew on this insight by featuring infectious laughter and happiness, brought on by universally recognized milk moments: blowing bubbles, dunking cookies, and sporting a milk moustache. The ad concepts were pre-tested with consumers prior to production.

RESULTS | The campaign targeted BC residents aged 25–54, with a goal of reaching 60% of the target an average of 10.8 times across all mediums.

of our target audience recalled seeing the campaign, and

of those who saw it felt positively, or very positively about it.



MULTICULTURAL MARKETING



Milk campaign adaptation delivers a culturally relevant message to Chinese and South Asian audiences

In 2019 we worked with Ethnicity Matters
Advertising to adapt the *Pour A Little Happiness*campaign for Chinese and South Asian audiences
in BC. This expansion into multicultural markets
came about following research done by BC Dairy
in 2018, which uncovered a significant market
opportunity among BC residents of Chinese
and South Asian backgrounds. The research
showed that these segments of the population
have positive perceptions of Canadian milk, and
consume it at a higher than average rate. However,
their milk consumption habits are at risk, and their
affinity to milk should not be taken for granted.

The campaign extension included translated creative, a targeted specialty media buy, as well as shopper marketing and influencer marketing pilot programs.



RESULTS

SPECIALTY MEDIA

23.1M impressions

19.9K

INFLUENCER MARKETING

277,569 impressions

SHOPPER MARKETING

16,000+

in-person consume interactions

13,500+
milk samples distributed

904 contest entries

1548

coupons redeemed

In 2019–2020, we will continue to build on momentum from *Pour a Little Happiness* by adapting the campaign for multicultural holidays.

EXPERIENTIAL MARKETING

Brand ambassadors engage with consumers to create positive experiences with milk

This year BC Dairy delivered two experiential milk sampling programs. Our teams attended community events in the summer, and winter holiday season.



Warm-Up with BC Milk

In December 2018, we attended 3 holiday-themed events in Vancouver with a 'Winter Warm Up Cabin' for a total of 8 activation days. The 'cabin' provided a cozy place for event-goers to warm up with a free sample of warm chocolate or white milk. The *Winter Warm-Up* program will return for the 2019 holiday season.





Brand ambassadors at the Surrey Fusion Festival in July 2019.

Milk Bubble Pop

The Pour A Little Happiness campaign was brought to life at popular summer events throughout BC in 2019. The 'Milk Bubble Pop' game was inspired by the TV spot 'Bubbles' and provided a fun activity for consumers to enjoy the campaign in-person. After participating, consumers received a free milk sample, generously provided by local processors.

The direction for summer 2020 will depend on the evolution of the *Pour a Little Happiness* campaign. We will look for new and innovative ways to create meaningful engagement with consumers.



MILK REWARDS

School promotion encourages students to choose milk

The Milk Rewards cafeteria promotion ran in 227 secondary and post secondary schools across BC from September to December 2018. Students who purchased milk at school over the promotion period received a scratch card and could instantly win a free milk. Students could also enter their game code online to collect entries for a grand prize, and earn points for online rewards, such as headphones, backpacks and gift cards.

The program provides a unique opportunity for BC Dairy to reach students in school cafeterias, and encourages them to continue drinking milk as part of their routine.

PROGRAM HIGHLIGHTS

256 participating school cafeterias

345k⁺ students reached

78% of operators report an increase of 25%+ in milk sales



The 2019 *Milk Rewards* promotion ran from September 23 until December 1 and continues to offer rewards, a grand prize trip and more chances to instantly win free milk. There were 232 BC schools that participated.



I would like to thank you and the Milk Rewards team for the wonderful trip. Your team took care of everything and our VIP experience at Universal Studios was amazing, so thank you!

- Shelley Paulus, 2018 Grand Prize Winner



BC SCHOOL SPORTS

BC Dairy partners with BC School Sports to support student athletes

For nearly 10 years, BC Dairy has partnered with BC School Sports (BCSS) to support high school student athletes at provincial sport championships across BC. As a gold-level sponsor, BC Dairy contributes cash, scholarships and in-kind donations such as chocolate milk and athletic promotional items at championship games.

In August 2019, BC Dairy signed a new 3-year partnership with BCSS to continue as a gold-level sponsor, provide more chocolate milk and award more scholarships to deserving students.

SPONSORSHIP AT A GLANCE:

- BC Milk logo featured on all 67 championship banners
- Chocolate milk provided to 1600 student athletes at volleyball and ultimate championships
- Two x \$1000 scholarships awarded to students who demonstrate contributions to their community









MEDIA RESULTS

14.5M impressions

79.5% positive overall sentiment

PUBLIC TRUST CAMPAIGNS

Inspired by Farmers builds public trust by highlighting shared values

In July 2019, BC Dairy launched *Inspired by Farmers*, a campaign featuring real BC Dairy farmers and prominent BC chefs. The campaign's objective was to build trust for dairy by highlighting the values that producers and consumers all share: family, food, community and sustainability.

The target for this campaign was adults in BC aged 19–59, with a bullseye of millennials. The multichannel media buy included a microsite, profile videos, digital ads, social media, cinema and instore signage. Dairy producers were encouraged to get involved by engaging with the campaign through social media.

The campaign was very well received overall, and was particularly successful in shifting perceptions about BC dairy farmers and sustainability. Based on our tracking, 70% of people with strong campaign recall agreed that BC dairy farmers care about the environment, compared to only 54% of people who did not recall the campaign.

In early 2020 we will expand the reach of *Inspired* by Farmers with a more robust media plan which will include the addition of TV and digital billboards.



Digital campaigns profile BC's dairy farmers

In support of BC Dairy's objective of building public trust for dairy, we ran several short campaigns to raise the profile of BC's dairy farmers, and the family oriented nature of their businesses.



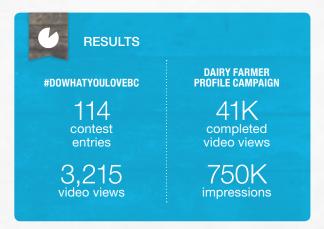
#DoWhatYouLoveBC

This campaign featured four profile videos of female dairy producers in BC. The videos showcased their path to becoming dairy farmers, and shared why they love what they do. The campaign included a contest component that encouraged the public to also share what they love about what they do.



Dairy Farmer Profile Campaign

CUSMA negotiations in the media resulted in increased online discussion, and scrutiny of the Canadian dairy industry. In response, we promoted existing video profiles of BC dairy farmers through a small YouTube ad buy from October 3–31, 2019. The campaign was intended to build public support for BC's dairy producers by raising awareness of the family oriented nature of the BC dairy farms.







PAN-AGRICULTURE ACTIVITIES

Public trust initiative continues to increase public knowledge and confidence in BC agriculture

Strengthening public confidence in BC agriculture is a mission which requires ongoing collaboration from a pan-agriculture perspective. Over the past year, BC Agriculture Council continued on its journey to strengthen public confidence in the standards and practices of the BC agri-food industry.

This year, with BC Dairy's support, the We Heart Local platform increased engagement with consumers and facilitated positive dialogue between farmers and the public about agriculture and food topics. The program reached over 463,000 people between October 2018 and March 2019 and the top 3 videos received almost 30,000 views.



Educators participate in an agricultural farm tour in partnership with Ag More Than Ever

BC Agriculture Council also hosted two farm tours with food influencers and educators. Tour stops included an egg processing facility, a dairy farm, a vegetable greenhouse, berry farm, and an in-land salmon farm. Pre and post event surveys showed that the tour made a significant impact on knowledge about agriculture, and confidence in farmers and the agriculture system.

TANKER GRAPHICS

Tanker trucks highlight BC Milk across the province

BC Dairy continues to partner with transportation companies to promote milk as a locally produced product. In 2018–2019, BC Dairy worked with Vedder Transport and Agrifoods to highlight the BC Milk decals on their fleet of tankers.

BC Dairy supports this initiative by funding the printing, decaling and maintenance of the BC Milk tanker decals.

In 2019–2020, we will continue to maintain and replace the decals on Vedder's fleet and complete decals on the remainder of the Agrifoods' fleet.



PROGRAM AT A GLANCE

VEDDER TRANSPORT

15 decals

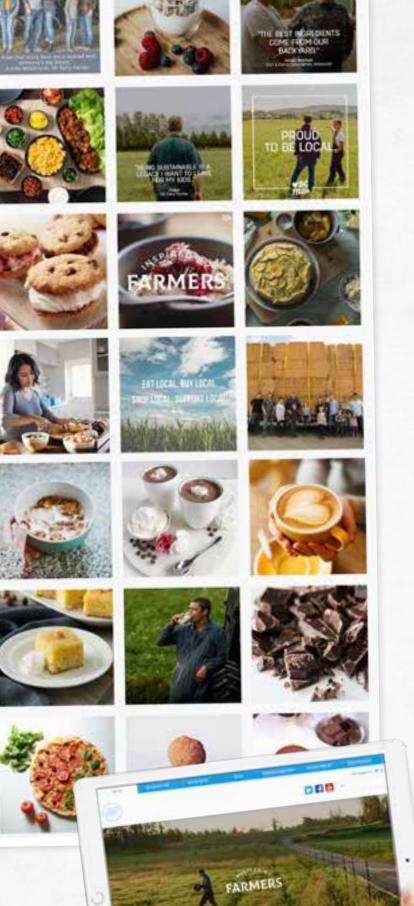
replaced (11 remaining)

AGRIFOODS

new decals installed

(3 remaining)





Milk, forever at the heart of a healthy community

BC DAIRY ONLINE

Digital platforms continue to grow

BC Dairy engages with its online audience through BCDairy.ca, Facebook, Instagram and Twitter. An inter-departmental committee regularly develops and produces content for the BC Dairy website and social media channels, ranging from recipes, to nutrition articles, to farmer profiles. Using analytics, the committee assesses what type of content resonates best with audiences, and responds to changing trends.

This year Instagram was added to BC Dairy's core social networks. Since the account's inception in August 2018, @BCMilk has gained 1.4K followers. This platform focuses on being a visual storytelling tool to showcase recipes, farmer profiles and campaign assets.



SOCIAL MEDIA
PLATFORMS AT A GLANCE

f

12.1K followers

9 2 5

2.5K followers

1.4K followers



WEBSITE TRAFFIC AT A GLANCE

243K All Users

49K BC Users

В

(up 32%)

(up 10%)

BC Page Views (up_17%)

*Fiscal year 2018–2019 compared to fiscal year 2017–2018



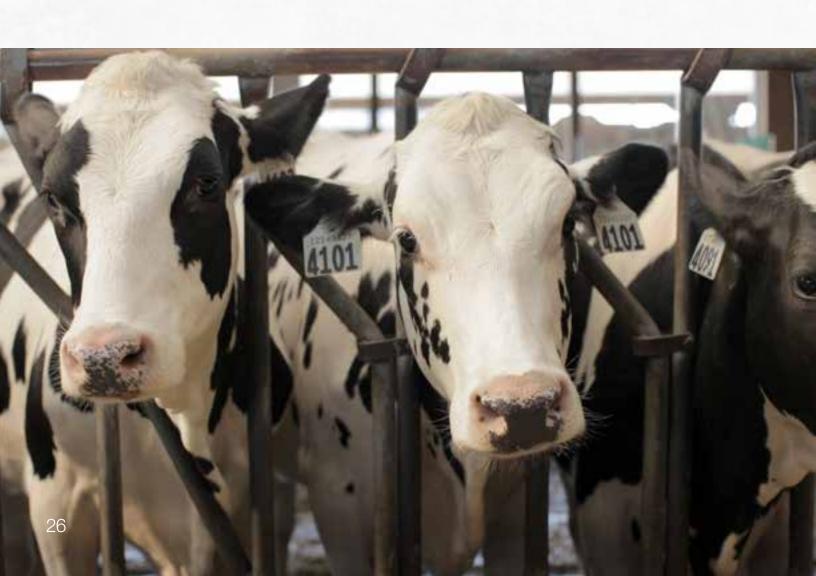


MOBILE DAIRY CLASSROOM EXPERIENCE

The Mobile Dairy Classroom Experience (MDCE) is an interactive, educational program that travels to schools, community events, and exhibitions across BC. The aim of the MDCE is to narrow the rural and urban divide, by educating in an engaging format about the dairy industry during its 20-minute presentations. In each presentation, students and participants learn about basic cow biology, what a cow eats, and how a cow makes milk. To make each visit an unforgettable experience, we conduct a live milking demonstration, which is always very well received by our audience. We're excited about the ability of this initiative to help raise awareness about BC's dairy industry.

SOME HIGHLIGHTS FROM THE PAST YEAR:

- We visited 110 schools in 2018
- We attended 22 fairs and events in 2018
- We visited 52 schools before August in 2019
- We attended 13 fairs and events before August 2019



PACIFIC NATIONAL EXHIBITION (PNE)

The Mobile Dairy Classroom Experience returned to the PNE's Farm Country this year from August 18 to September 3. Located in the agriculture barns, the two-week family friendly event draws in thousands of people, providing visitors a unique opportunity to connect with animals and learn about agriculture.

In-between viewing our MDCE live milking demonstrations, visitors had the opportunity to play some dairy-themed carnival games, win prizes, and learn more about the BC dairy industry. At some of our busier presentations, we experienced upwards of 100 viewers!

The games were specially designed to increase consumer recall of key dairy industry facts through coordination activities. The MDCE will be returning to the PNE again next year, so be sure to join us for an exciting time at the fair!









BREAKFAST ON THE FARM

This year's "Breakfast on the Farm" event was held on June 8th at Hutley Acres in Armstrong.

The three-day event began with students arriving for school visits on Thursday and Friday. Over 350 students received a guided tour of the farm, viewed a milking demonstration, and enjoyed an ice cream cone and chocolate milk.

The Saturday event drew crowds of people to enjoy the free breakfast prepared by the Lion's Club, ice cream, and a tour of the farm. According to metrics from the Kamloops Okanagan Dairy Association (KODA), there were over 900 people in attendance and over 885 breakfasts served!

BC Dairy would like to thank Hutley
Acres for opening up their facilities and
taking time out of their busy schedules
to host Breakfast on the Farm. KODA
also deserves acknowledgement for the
incredible amount of organization and effort
undertaken to make the event a success.
Breakfast on the farm remains a positive
event that connects local communities to
their dairy farming neighbours.

EVENT HIGHLIGHTS

900+

people attended 885+

breakfasts served











On-farm excellence

As we complete our second year of 100% registration on proAction, the proAction team wishes to thank BC dairy farmers for their continued dedication. We recognize the time and effort that BC dairy farmers have committed to ensuring the completion of their paperwork, ordering (and replacing) tags, as well as their on-going support of this program.

Livestock traceability

DFC is continuing to work with the Canadian Dairy Network to develop the dairy specific traceability network, DairyTrace. There are no definitive timelines on when this database will be available. As such, reporting records on the current online database—Canadian Livestock Identification System (CLTS)—is optional. However permanent records must still be kept for proAction. BC Dairy will communicate more information to producers as it becomes available.

Biosecurity roll-out

Throughout the first half of 2019, the proAction team hosted training sessions across BC to help producers understand the requirements for the biosecurity pillar and changes to the animal care pillar based on continuous improvement.

The BC Dairy proAction team also hosted an information session to train veterinarians on their role in the biosecurity pillar. Within this pillar, farmers and veterinarians work collaboratively to reduce risks and find preventative measures for controlling and preventing diseases on farm. Our team also met with farm service providers to discuss how biosecurity may affect their on-farm visits.



Environment: Looking ahead

The Environment pillar of proAction is still under development and the requirements have yet to be finalized. Earlier this year, the DFC Environment Working Group proposed merging the two-phase implementation period of this pillar into onephase to each provincial board. The BC Dairy Board of Directors approved the proposal to merge the timelines—meaning all environmental requirements would be required in validations by mid-2021. The national review for merging the timelines and the requirements of this pillar will be continuing into the fall 2019. BC Dairy will communicate further information to producers as it becomes available.

Starting January 2020, the proAction team will be running an environment pilot program on 12 farms throughout the province. Farmers looking to get a head start on this pillar are encouraged to contact ARDCorp to complete an Environmental Farm Plan (EFP).

National standard for grass-fed milk

In response to consumer demand, a DFC pilot program for grass-fed milk standards was set to launch in June 2019. The launch was put on hold due to concerns raised by BC producers regarding restrictions on the use of corn silage in a grass-fed diet and proposed land-use requirements. Producers will receive an update regarding this pilot program in fall 2019.

GENERAL POLICY:

BC Dairy monitors and provides feedback into policy areas that have the potential to impact dairy farmers. In the past year we've participated in various consultations with the applicable stakeholders, notably in the following areas:

- Groundwater licensing & water supply projects
- Animal Health Emergency Management Project
- Cross-border trade issues
- Wood shavings supply
- National standard for grass-fed milk
- Agricultural Environmental Management Code of Practice
- Metro Vancouver
 Emission Regulations

GOVERNMENT RELATIONS

In 2018, BC Dairy engaged in government relations activities at municipal, provincial and national levels. At a national level, we worked with DFC to raise concerns over the signature of the Canadian-United States-Mexico Agreement (CUSMA). We also conveyed dairy producer feedback regarding Canada's Healthy Eating Strategy, including changes to Canada's Food Guide and proposed front-of-package labelling.

At a provincial level, the Agricultural Environmental Management (AEM) Code replaced the previous Agricultural Waste Control Regulation on February 28, 2019. The Code applies to all agricultural operations in British Columbia, including dairy farms. BC Dairy worked with the Ministry of Environment and Climate Change Strategy and the Ministry of Agriculture to educate producers on key changes within the new code. Over the ten-year implementation period, we will work with agriculture stakeholders and the provincial government to ensure that agricultural adaptation to the code will be considered in funding programs.

In March 2019, BC Dairy, in collaboration with Supply Management BC (formerly the Dairy, Eggs, and Poultry Industry group, or DEPI) held an MLA luncheon in Victoria. The goal of the event was to share the economic contributions of our supply managed agricultural sectors with elected officials.









BC DAIRY INDUSTRY CONFERENCE

Over the past decade, the BC Dairy Industry Conference has successfully brought together dairy producers, processors and industry affiliates under the same roof to share, learn and network. Jointly presented by BC Dairy and the BC Milk Marketing Board, the 2018 conference took place on November 28–30 at the JW Parq Marriott in Vancouver, BC.



Highlights from the conference included Dr. Andrew Samis' compelling presentation on saturated fat and cardiovascular disease, while Pierre Lampron and

Jacques Lefebvre from Dairy Farmers of Canada provided industry updates. In addition, there were a variety of breakout sessions offered for producers and affiliates to attend.



2018 CONFERENCE AT A GLANCE

550+
delegates

130 dairy farms represented 10 YEARS AT A GLANCE

4,500+

delegates

320

industry sponsors have supported the conference

PRODUCER COMMUNICATIONS

Dairy Industry Research and Education Committee (DIREC)

DIREC has been busy this past year with new faces in staff and committee members. Two nutrient management studies were approved: one through the University of British Columbia (UBC), and another through Agriculture and Agri-Food Canada (AAFC). Nutrient management is an area of research that has continuously been of high importance to dairy producers in BC.

Additionally, DIREC is funding the NSERC Industrial Research Chairs in Dairy Cattle Welfare (Dr. Dan Weary and Dr. Nina Von Keyserlingk of UBC) and Dairy Cattle Infectious Diseases (Dr. Herman Barkema of the University of Calgary Veterinary Medicine) for an additional five years each.

These two groups are some of the most prolific dairy researchers in North America and are unique in their commitment to communicating the findings of their applied research directly to producers.



This Week in Dairy

Our weekly e-newsletter, *This Week in Dairy*, continues to focus on reporting important industry news, events, and updates. *This Week in Dairy* provides producers with more of the news that matters to them. This includes articles about trends in the global dairy scene, trade-related topics, updates about BC Dairy programs and how producer dollars are spent in the community, as well as information about grant and scholarship sources.



Partnership with BC Holstein News

In early 2019, BC Dairy replaced the production of the BC Dairy Producer Newspaper with regular editorial contributions to the BC Holstein News. In addition to covering innovative BC dairy farms throughout the year, dairy producers can now receive updates on proAction, BC Dairy marketing and nutrition program updates, and producer relations news directly through our pages in the BC Holstein News.





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INDEPENDENT AUDITORS' REPORT

To the Members of British Columbia Dairy Association

Opinion

We have audited the financial statements of British Columbia Dairy Association (the "Association"), which comprise:

- the statement of financial position as at July 31, 2019
- the statement of operations and net assets for the year then ended
- the statement of cash flows for the year then ended
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information
- and other supporting information, including schedules A through D

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at July 31, 2019 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
 - The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies 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 non-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants

Chilliwack, Canada October 25, 2019

KPMG LLP

STATEMENT OF FINANCIAL POSITION

July 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	\$ 3,599,145	\$ 4,219,288
Contributions and accounts receivable (note 2)	1,553,194	1,477,478
Prepaid expenses Promotion and nutrition project supplies	97,143 181,561	95,049 184,190
Promotion and nutrition project supplies	5,431,043	5,976,005
	3,431,043	3,970,003
Capital assets (note 3)	133,904	74,773
	\$ 5,564,947	\$ 6,050,778
Liabilities and Net Assets		
Accounts payable and accrued liabilities (note 4)	\$ 539,379	\$ 770,186
Current liabilities: Accounts payable and accrued liabilities (note 4) Deferred contributions (note 5)	\$ 35,000	\$
Accounts payable and accrued liabilities (note 4)	\$,	\$ 770,186 - 770,186
Accounts payable and accrued liabilities (note 4) Deferred contributions (note 5)	\$ 35,000	\$
Accounts payable and accrued liabilities (note 4) Deferred contributions (note 5) Net assets:	\$ 35,000	\$
Accounts payable and accrued liabilities (note 4) Deferred contributions (note 5)	\$ 35,000 574,379	\$ 770,186
Accounts payable and accrued liabilities (note 4) Deferred contributions (note 5) Net assets: Producer services and general fund	\$ 35,000 574,379 360,450	\$ 770,186 311,803 4,740,794 227,995
Accounts payable and accrued liabilities (note 4) Deferred contributions (note 5) Net assets: Producer services and general fund Marketing and nutrition education fund Dairy industry research and education fund	\$ 35,000 574,379 360,450 4,457,125	\$ 770,186 311,803 4,740,794
Accounts payable and accrued liabilities (note 4) Deferred contributions (note 5) Net assets: Producer services and general fund Marketing and nutrition education fund	\$ 35,000 574,379 360,450 4,457,125 172,993	\$ 770,186 311,803 4,740,794 227,995

See accompanying notes to financial statements.

Member

Approved on behalf of the Association:

BC DAIRY ASSOCIATION

STATEMENTS OF OPERATIONS AND CHANGE IN NET ASSETS

Year ended July 31, 2019, with comparative information for 2018

<i>ω</i> σ	Producer Services and General Fund	Marketing and Nutrition Education Fund	Dairy Industry Research and Education Fund	2019 Total		2018 Total
Revenues: Contributions from dairy producers (note 7) \$ Recoveries and other contributions Interest	1,204,057 107,943 46,328	\$ 7,182,823	\$ 74,770	\$ 8,461,650 180,758 46,328	↔	8,334,745 206,284 22,437
	1,358,328	7,190,743	139,665	8,688,736		8,563,466
Expenses: Marketing and Nutrition Education Projects (Schedule A) Producer Services, Dairy Industry Research	1	5,124,396		5,124,396	,	4,313,031
and Education Projects (Schedule B)	722,176	2 0 2 0 0 0 0 0	194,667	916,843		971,165
Labour (Schedule C) General and administration (Schedule D)	395,332 192,173	768,690	1 1	1,970,058 960,863		1,689,241 889,531
	1,309,681	7,474,412	194,667	8,978,760		7,862,968
Surplus (deficit) of revenues over expenses	48,647	(283,669)	(55,002)	(290,024)		700,498
Net assets, beginning of year	311,803	4,740,794	227,995	5,280,592		4,580,094
Net assets, end of year \$	360,450	\$ 4,457,125	\$ 172,993	\$ 4,990,568	€	5,280,592

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Year ended July 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations: Cash received for contributions and recoveries Cash received for interest Cash paid for labour, materials and services	\$ 8,602,100 45,920 (9,151,579) (503,559)	\$ 8,459,979 18,899 (7,465,129) 1,013,749
Investing: Purchase of capital assets	(116,584)	(12,817)
Increase (decrease) in cash	(620,143)	1,000,932
Cash, beginning of year	4,219,288	3,218,356
Cash, end of year	\$ 3,599,145	\$ 4,219,288

See accompanying notes to financial statements.



BC DAIRY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Year ended July 31, 2019

Purpose of the British Columbia Dairy Association:

The purpose of the British Columbia Dairy Association (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 Societies Act (British Columbia) and is classified as a tax exempt not-for-profit organization under the Income Tax Act (Canada) and, accordingly, is not subject to income taxes. The Association is a member funded society.

1. 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:

(a) 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.

(i) Producer Services and General Fund:

This fund recognizes revenue of the Association and expenses that are not attributable or allocated to the other funds.

(ii) 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.

(iii) Dairy Industry Research and Education Fund:

Certain contributions received by the Association are earmarked for research and education benefiting the industry. Such revenue and the related expenses are reported in this fund.

1. Significant accounting policies (continued):

(b) Revenue 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.

(c) 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.

(d) 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.



1. Significant accounting policies (continued):

(e) Capital assets:

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

Asset	Rate
Furniture and fixtures Computer equipment Vehicles Leasehold improvements	5 years 3 years 5 years 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.

(f) 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.

(g) Use of estimates:

The preparation of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the useful life of capital assets, the carrying amounts of accounts receivable and accrued liabilities. Actual results could differ from those estimates.

2. Contributions and accounts receivable:

	2019	2018
Receivable from Dairy Industry Development Council, a related party	\$ 1,509,845	\$ 1,464,232
Other contributions and accounts receivable	43,349	13,246
	\$ 1,553,194	\$ 1,477,478

There are no allowances for doubtful accounts.

3. Capital assets:

			2019	2018
	Cost	 cumulated mortization	Net book value	Net book value
Furniture and fixtures Computer equipment Vehicles Leasehold improvements	\$ 227,696 152,440 132,733 260,540	\$ 173,458 109,826 105,797 250,424	\$ 54,238 42,614 26,936 10,116	\$ 20,521 2,175 41,832 10,245
	\$ 773,409	\$ 639,505	\$ 133,904	\$ 74,773

4. Accounts payable and accrued liabilities:

	2019	2018
Payable to suppliers for supplies and services Payable to/on behalf of employees for wages	\$ 469,076	\$ 428,777
and benefits Payable to Receiver General for GST and	70,303	163,373
source deductions	-	178,036
	\$ 539,379	\$ 770,186

5. 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:

	2019	2018
Deferred contributions, beginning of year Add amounts received for future expenses Less amounts recognized as revenue in the year	\$ - 128,000 (93,000)	\$ 62,000 - (62,000)
Deferred contributions, end of year	\$ 35,000	\$ _

6. Commitments:

The Association has commitments under operating leases for their locations which expire in June 2021 and January 2024.

The Association has an option to terminate the lease at the Burnaby location any time for a payment of \$18,724.

The future minimum rental payments required under the operating leases are as follows:

2020	\$ 83,870
2021	81,143
2022	27,506
2023	27,506
2024	13,753
	\$ 233,778

7. 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 \$8,461,650 (2018 - \$8,334,745) to the Association. At July 31, 2019, \$1,509,845 (2018 - \$1,464,232) 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, 2018. The Council's complete financial statements are available to members upon request.

		2018		2017
Financial position as at December 31 Total assets	Φ.	E 404 004	Φ.	0.450.404
Total assets	\$	5,164,331	\$	3,456,191
Liabilities and Net Assets: Total liabilities (1) Total net assets	\$	3,979,372 1,184,959	\$	2,448,552 1,007,639
	\$	5,164,331	\$	3,456,191

7. Related party and related party transactions (continued):

Results of operations year ended December 31

Total revenues	\$ 14,641,058	\$ 1	4,153,767
-			
Expenses: (2)			
Fluid milk promotion	7,037,624		6,863,733
Industrial products promotion	6,130,423		5,957,753
Producer services, industry activities and			
administration	1,188,007		1,158,029
Research and education	107,684		79,827
	14,463,738	1	4,059,342
Excess of revenues over expenses	\$ 177,320	\$	94,425
Cash flows year ended December 31			
Cash flows from operating activities	\$ 1,683,026	\$	220,740
Increase in cash	\$ 1,683,026	\$	220,740

⁽¹⁾ Total liabilities include \$2,898,518 (2017 - \$1,440,075) due to the Association.

8. 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.

9. Financial risks and concentration of risks:

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, 2019.

(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.

(b) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements and preparing budget and cash forecasts to ensure it has sufficient funds to fulfill its obligation.

There has been no change to the risk exposures from the prior year.

⁽²⁾ Total expenses include contributions of \$8,325,024 (2017 - \$8,094,128) to the Association.

SCHEDULES OF EXPENSES

Year ended July 31, 2019, with comparative information for 2018

Schedule A - Marketing and Nutrition Education Projects

	2019	2018
Marketing:		
Marketing programs for British Columbia Share of expenses for marketing partnerships	\$ 3,697,515	\$ 2,770,191
with other provinces	-	634,495
	3,697,515	3,404,686
Nutrition Education:		
School based programs	1,039,224	511,928
Programs for public and health professionals	158,558	199,129
	1,197,782	711,057
Community and public engagement	229,099	197,288
	\$ 5,124,396	\$ 4,313,031

Schedule B - Producer Services, Dairy Industry Research and Education Projects

		2019		2018
Producer Services:				
Dairy Farmers of Canada member dues	\$	304.458	\$	286,181
Contributions to regional organizations	Ψ	125,096	Ψ	122,138
BC Agriculture Council member dues		55.708		57,125
BC Dairy Conference		82,640		82,794
Producer Services and Communications		154,274		117,593
		722,176		665,831
Dairy Industry Research and Education:				
Research and Education Projects		155,448		283,016
BC Dairy Expo		39,219		22,318
		194,667		305,334
	\$	916,843	\$	971,165

BC DAIRY ASSOCIATION

SCHEDULES OF EXPENSES

Year ended July 31, 2019, with comparative information for 2018

Schedule C - Labour Expenses

	2019	2018
Salaries and wages Employee benefits and payroll taxes Employees' professional dues, development and recognition Recruiting Labour subcontracts	\$ 1,662,760 270,001 21,723 14,258 7,916	\$ 1,363,972 269,807 28,532 5,000 21,930
	\$ 1,976,658	\$ 1,689,241

Schedule D - General and Administration Expenses

		2019		2018
Travel of directors and staff	\$	303,170	\$	362,834
Rent and offices expenses	Φ	,	Φ	,
Directors' fees		183,561		167,683
		122,635		92,333
Audit, accounting and legal		65,188		30,949
Computers		53,202		40,054
Professional fees and consulting		45,027		20,000
Conferences and meetings		26,785		32,985
Vehicles		25,528		20,878
Telephone and communications		22,489		26,131
Postage and couriers		25,031		33,572
Insurance		16,048		24,421
Interest and bank charges		14,746		9,982
Amortization		57,453		27,709
	\$	960,863	\$	889,531

BC DAIRY ASSOCIATION

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