



# Dairy Goodness

BC Dairy Association  
2023-2024 Annual Report







# The goods.

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This year's annual report theme, Dairy Goodness, takes inspiration from our Good Goes a Long Way advertising campaign, which tells the story of the important role dairy farmers play in British Columbia.

It's the story of real people working every day to provide wholesome (and delicious!) food while supporting the numerous community organizations we all depend on.

That theme carried through a lot of what took place at BC Dairy this year. There have been profound challenges again this year, but also reason for optimism for our industry's future. Through it all, we focused on Dairy Goodness.

## Message from the Chair

“

**As I reflect on my first year as Chair of BC Dairy, I am proud of the work we have done to overcome challenges and emerge stronger as an organization, doing more to support our farmers.**

**Our business is different today than it was just a few years ago.** Profit margins are tight or non-existent as we grapple with the high cost of production, interest rates making it difficult to fund necessary investments in our operations, and inflation. Not all of us have made it, and once again this year a number of farmers have made the tough decision to exit their business.

We have faced very challenging weather almost constantly since the floods of late 2021. We had a mild, wet spring that helped get forage off to a promising start but hampered growth as it lingered into June. Despite this moisture, BC's multi-year drought continues to make water scarcity a significant issue in a number of regions.

And yet – farmgate prices are up a bit, if not enough, and both interest rates and inflation are moderating. Quota was finally increased for BC this year. Construction of Dairy Innovation West is also well underway, and a handful of processors have announced projects in our province.

We are working effectively with the provincial government on a number of fronts. In May, the province introduced an \$80 million program sharing the cost of installing new equipment and infrastructure on farms, helping us adapt to changing weather patterns. I know several dairy farmers who have drawn on this program to install barn cooling and irrigation systems, which will be crucial to their operations as our summers become increasingly hot and dry. We are actively participating in the province’s watershed security project, with dairy farmers having a seat at the tables where discussions about specific watersheds are happening.

At BC Dairy itself, our direction is different today than we expected just a year ago. In last year’s annual report, we spoke about coming together with Western Canada’s five dairy organizations to transform the Western Milk Pool into a more structured organization with region-wide staff and a regional governance model. Today, in response to direction regulatory boards have received from provincial supervisory bodies, BC Dairy and our partner organizations in Western Canada have shifted from Transformation to Collaboration. BC Dairy and its staff will be focused on BC but may include cross-provincial project work where it’s beneficial to our provincial goals.

While our direction is different than what we had planned, BC Dairy is a better organization today because of our work developing closer relationships with dairy organizations in neighbouring provinces.

Only through this process did our organizations develop the collaborative mindset needed for Dairy Innovation West, a milk concentration plant under construction in central Alberta that will reduce pooled transportation costs for all dairy farmers in the west. It is being built in a region rich in raw milk production but without sufficient processing capacity, so that milk is shipped as far as Abbotsford and Manitoba for processing. With concentration, for every three or four tankers of raw milk coming in, only one of concentrate will leave for that trek to processing. That will substantially reduce the number of trucks we’re sending out and the associated transport cost – as well as the environmental footprint.

Today, we are more able to take on projects large and small that will help manage farmers’ costs, enhance local processing, and foster positive change with government. We are tackling weather and costs, and seeing progress. It is taking time and persistence and many challenges remain, but brighter days are ahead. Through it all, the board at BC Dairy remains committed to serving you.



A handwritten signature in black ink, appearing to read 'Casey Pruim', written over a white background.

**Casey Pruim**  
Chair

## Message from the General Manager

“

**Our team at BC dairy is well positioned to deliver the results our producers need.**

BC Dairy has been providing food and nutrition education for teachers since the 1970s, almost always through in-person workshops.

When COVID hit and we weren't able to gather anymore, educators were increasingly looking online for Professional Development opportunities. Our team responded by updating our programming, and adapting to the rapidly changing needs of educators in BC.

Fast forward, and our program is now offered entirely online, and has been updated to incorporate the latest science about both nutrition and how young children learn.

**The result?** We reached almost 700 BC public school and early childhood educators, and 12,375 students this past year – a substantial increase over previous years.

**This program update is emblematic of where BC Dairy has come in the few years. This year has been one of change and adaptation both organizationally and operationally, yet, through innovation and hard work we have created reasons for hope and optimism for the future. Our team at BC dairy is well positioned to deliver the results our producers need.**

While we are no longer pursuing the transition towards a re-envisioned Western Milk Pool, we are continuing to develop stronger, more collaborative relationships that will allow us to do more for BC's farmers.

This summer, in collaboration with BC Milk, we completed our office relocation, downsizing from three office spaces for the two organizations to one single office space in Langley BC.





We are also collaborating with Alberta Milk to deliver marketing and community engagement programs with increasing operational efficiency, to help maintain farmers' valuable public trust and respect, but importantly to grow our market share. BC Dairy and Alberta Milk have combined our resources, we are saving costs while generating unique and compelling creative work. We've had a number of exciting campaigns this year – you'll be able to learn more about them later in this report.

We are working more actively with processors to increase capacity in BC, especially around speciality products, addressing demand for protein as well as emerging and diverse ethnic markets. New production is creating additional value and fostering increased quota while ensuring we continuously adapt to meet the evolving needs of all British Columbians.

Of course, we continue to advocate for the needs of dairy producers with government decision-makers. Whether it's cost of production, predictable

access to water, help funding on-farm investments necessary to adapt to the impacts of our changing weather, flood infrastructure, emergency response, or processing, we're making progress on ensuring food-producing agriculture is seen as a priority by government. There is more to be done, but we're making headway on the files that make a real difference in farmers' lives.

There is no question these remain challenging times. Despite the trials we have faced, our team has been resilient. I am hopeful that with continued collaboration across provincial boundaries, industry sectors, and government, we can make real progress on issues that matter to producers, and be part of driving a thriving market.



**Jeremy Dunn**  
General Manager

## 2023-2024 BC Dairy Board of Directors

BC Dairy's board of directors consists of eight dairy farmers representing all regions of the province. Over the past year they have been working with association staff to drive forward BC Dairy's evolution – with modernized governance and bylaws, a focus on market growth and advocacy, and robust support for producers. Read more over the next few pages.



**Casey  
Pruim**

Board Chair  
Mainland Region of BC



**Brian  
Janzen**

Vice Chair +  
Treasurer  
Mainland Region of BC



**Lindsay  
Heer**

Secretary  
Northern BC



**Mark  
Van Klei**

Mainland Region of BC  
Represents BC Dairy on  
the Western Milk Pool  
and Dairy Innovation  
West boards



**John  
de Dood**

Southern BC



**Henry  
Bremner**

Southern BC  
Represents BC Dairy  
on the BC Agriculture  
Council board



**Dave  
Taylor**

Vancouver Island



**Sarah  
Sache**

Member-at-large  
Represents BC Dairy  
on the Dairy Farmers  
of Canada Board





# Dairy Goodness – a year at BC Dairy.

Our work over the past year has been guided by the strategic plan introduced in last year's annual report, with a focus on transformation, relationships, processing, and producer engagement.

BC Dairy's board has been modernizing the association's governance framework to better serve and represent farmers, while pursuing critical priorities – from advocating for reliable water access in the face of drought, to supporting farmers' adaptation to new regulations. The board operated with eight directors this year, as it piloted a smaller-team approach to governance, with Abbotsford farmer Casey Prum serving his first year as chair.

BC Dairy continues to work collaboratively with western provinces, however the Western Milk Pool (WMP) is going through a redirection of efforts from the transformation announced in the fall of 2022. The evolution reflects a fundamental change in how western dairy farmer organizations will work together. As a result of regulatory constraints, the partnership moves from transformation and centralized decision-making to an alignment of independent organizations working together

collaboratively under a consensus-based model. We continue to explore this new direction along with the governance and structure that will support it.

The five western dairy organizations continue to believe western unity is a key building block for national unity. We are committed to building alignment for the betterment of the dairy sector in Canada in the areas of processing and processor relationships, national relationships, and dairy farmer engagement. Above all, the WMP is focused on enabling western collaboration and ensuring a unified western voice with a greater level of resilience to support the overall vision – “Better together for Canadian Dairy”.

BC's dairy farmers continued to grapple with challenging weather and economic conditions. At the association, we are working with farmers and all levels of government on solutions, with some success as demonstrated in this report.

Through it all, BC's dairy farmers continued to produce wholesome local food for British Columbians, playing a central role in feeding millions of families and supporting their communities. That's Dairy Goodness.

# Areas of focus this year.

## Supporting Producers

- We hosted workshops and information sessions about changes to the code of practice for the care and handling of dairy cattle and proAction
- We kept producers informed about avian influenza, and how to mitigate risk on the farm
- We hosted numerous other producer meetings to keep farmers informed and to hear feedback



## Advocacy

- We are actively engaging with government as the province works to update its Watershed Security Strategy
- We helped bring together a working group of agricultural commodities, environmental organizations, and First Nations to engage directly with producers in the Fraser Valley on the topic of flood mitigation and government support for farmers
- We worked to secure government support for on-farm investments supporting sustainability and climate adaptation
- We ensured dairy was represented at the table for the BC Farmed Animal Welfare Framework Review
- We hosted “BC Dairy Day,” our annual advocacy day at the Legislature, and shared locally made ice cream with government officials from across British Columbia
- We collaborated with Dairy Farmers of Canada on their National Advocacy Day with decision-makers in Ottawa, ensuring BC voices were represented in national discussions
- We continued to advocate on the high cost of production, releasing a report on the rising cost of doing business in the dairy sector in BC





## Community Engagement

- We partnered with several processors in our dairy education experience, providing dairy products at all of the fairs we participated in.
- We modernized the nutrition education program, resulting in record numbers of classrooms and children reached
- Ongoing community partnerships with Canuck Place Children's Hospice, BC Children's Hospital Foundation, Ag in the Classroom, 4-H BC, BC School Sports, and the Abbotsford Canucks, as well as a number of small community programs and organizations, have helped to make a difference where needed the most

## Transformation

- We moved into our new shared office space with BC Milk in Langley
- We are modernizing our board governance and bylaws
- We have re-focused our efforts as a BC-centered advocacy organization



## Market Growth

- Construction is well underway on Dairy Innovation West. Once complete, the facility will help to save costs and enhance production here in BC
- Several marketing campaigns have focused on multicultural communities, with advertising in diverse languages including Mandarin, Cantonese, Punjabi, and Hindi as well as English and French
- Our Good Goes a Long Way campaign helped tell the story of dairy farming in British Columbia
- We worked with numerous processors on growth projects and saw quota growth in BC for the first time since national trade agreements were completed.



## Market Development

# Good goes a long way.

## A year of building pride and confidence in local dairy.

Building on work done over the past few years, BC Dairy and Alberta Milk's Market Development teams continued to combine forces on a series of campaigns building pride and confidence in local dairy among our province's diverse communities.

Our Good Goes a Long Way campaign tells the story of the important role dairy farming plays in BC, with real people working hard every day to feed us all while supporting important community organizations such as Canuck Place and BC Children's Hospital.

Dairy has been a staple in our lives for more than a century in BC. The character of products on grocery store shelves has evolved in that time as tastes and technology has changed, and continues to evolve to meet today's market. One thing has not changed – **We're here to nourish, provide great taste, and do good.**

### We take pride in what we produce.

We focused on three priorities this year:

- **Developing partnerships**
- **Increasing dairy consumption**
- **Maintaining the reputation of local dairy farmers**

Read more about this work in the next few pages >





## Developing partnerships

We connected with processors to co-market products in-store, online, and through community events.

### Building online with Lucerne and Island Farms

We partnered with Agropur to promote Lucerne and Island Farms milk on online shopping platforms for Walmart and Sobeys, carrying our Good goes a long way message to their customers.



### Tree Island Yogurt

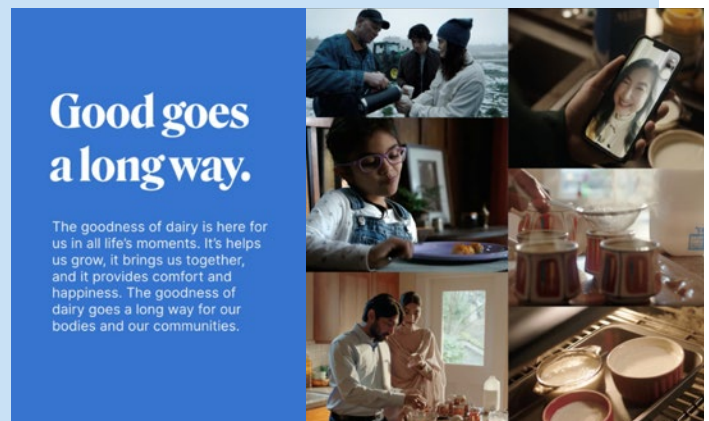
We partnered with Tree Island Yogurt to support promotions to increase consumer awareness and sales of their products, which are made with 100% BC milk and available in more than 250 stores across Canada.

### Olympic yogurt

We partnered again with Lactalis to promote Olympic yogurt. This year, the focus was on increasing sales in Alberta markets. Olympic is a Greek-style yogurt made with 100% BC organic milk. It's another great yogurt that gets its start on our members' farms.

## Increasing dairy consumption

We launched targeted marketing initiatives reaching younger urban British Columbians and growing segments of the population with our story, speaking to them in an array of languages reflecting our province's diversity. We're connecting with our neighbours in Hindi, Punjabi, Mandarin, Cantonese, and Tagalog.



## Maintaining the reputation of local dairy farmers

We have long-standing partnerships with great BC organizations doing important work, such as BC Children's Hospital, BC School Sports, 4H, and Canuck Place.

Through ads, social media, proactive PR, and sponsorships, we highlighted those partnerships and the important role dairy farming plays in the fabric of this province.

### Here for Good.

BC Dairy's Here for Good advertising campaign tells the story of how BC's dairy farmers have nourished us for more than 100 years. Dairy is part of a healthy, balanced diet, and dairy farming has helped shape our communities for generations. What's the secret? A quiet confidence and singular focus.

We aren't standing still! Today, we're pushing forward, meeting the evolving needs of our neighbours and our changing populations, partnering with processors working to provide the many dairy-based foods British Columbians from diverse backgrounds want.



## Supporting BC Children's Hospital

In December 2023, we partnered with the BC Children's Hospital Foundation to match donations up to \$100,000 for this great organization – with cookies!

Our team set up a life-sized gingerbread house and gave away hot chocolate and cookies in Park Royal Mall, while raising donations and awareness for the Children's Hospital Foundation. We supported the campaign with a promotional video that ran on YouTube and social media.

A few months later, from May 27 – July 14 we ran a campaign highlighting BC Dairy's support of BC Children's Hospital with grocery store displays, online and social media ads, and other materials. We also sponsored the hospital's RBC Race for the Kids, a fundraising event for these important centers.

Alberta Milk ran a similar campaign, creating consistent stories with the same materials.



## Dairy at the PNE

We always look forward to returning to the PNE, a staple of our program and an opportunity for British Columbians to meet dairy farmers (and cows!). It's a fun, interactive way to learn about dairy in our province. We partner with processors like Saputo, Agropur and Agrifoods to provide thousands of dairy products to fair attendees over the two-week event.



## Milk & Cookies for Canuck Place

We partnered with the children's hospice to raise funds with the Milk & Cookies for Canuck Place campaign in February and March. Participating schools held Cookie Day on Feb 29, with the sale of milk and cookies in classroom bake sales donated directly to Canuck Place Children's Hospice. Between February 2 and March 31 people were encouraged to make donations at Abbotsford Canucks home games, at participating bakeries, and directly to the hospice. BC Dairy was proud to match \$30,000 in donations.



## Supporting Sport in BC

We were at BC School Sports' Track and Field Championship again this year and provided scholarships to athletes of the month from October to June!



# Standing for Dairy Goodness.

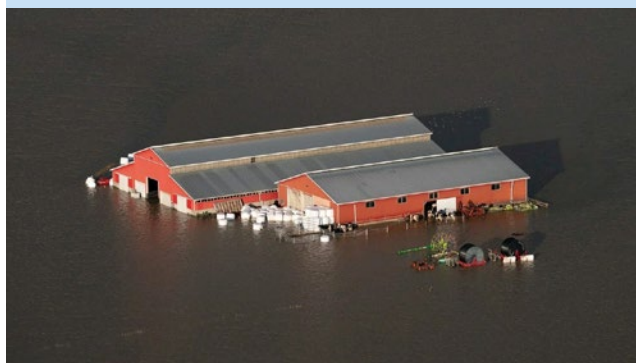
**Building on our previous success, BC Dairy has continued to advocate for farmers with government this year.** Working together with industry partners, we are making progress on the following advocacy files:

- **Advocating for reduction in business costs** for dairy farmers
- **Pushing for new incentives** to enable and encourage investment in dairy processing
- **Supporting guaranteed access to water** for dairy farms, both now and in the future
- **Ensuring that farmers are viewed as essential service providers**, and advocating for greater investment in necessary flood infrastructure in high-risk areas that may impact dairy farms

## Emergency management

We continue to advocate with the province for changes to emergency management programs and funding for flood protection infrastructure, recognizing the increasing impact of weather emergencies on farmers and the role they can play in responses.

When the cities of Abbotsford, Merrit, and Princeton had their applications to the federal Disaster Mitigation and Adaptation Fund denied last spring, our team was on hand to support their call for reconsideration. The cities were applying for funding to build new dikes and other infrastructure to protect farmland, highways, and other existing infrastructure. We continue to support the call for governments to invest in flood mitigation infrastructure in the Sumas and across BC.





## Water matters

Over the last three years we have grappled with unrelenting drought, floods, wildfire, and summer heat. Water scarcity has become a reality in some regions, particularly on Vancouver Island and in the Okanagan.

While local solutions need to be rooted in the lived experience of farmers who know the land best, it has become clear that we need an overall provincial framework ensuring reliable water for agriculture is prioritized.

Through opinion pieces, letters, and participation in government processes, BC Dairy has been a strong voice for BC's dairy farmers – both at a provincial and local level. Moreover, it's clear that our efforts are working.

We are advocating for the creation of Agricultural Water Reserves, local reserves of a sustainable volume of water for generations to come. We have proposed that water for food-producing agriculture be prioritized at the same level as drinking water, and that local government should be required to consider available water for agriculture when developing community plans or considering future development permits.

The province is running local watershed processes where water scarcity has become a reality. We have ensured agriculture has a voice at those tables. Farmers have intimate knowledge of land and water management in their area and a vested interest in long-term sustainability. They can bring that important understanding and passion to local processes.

We are advocating for investment in water storage infrastructure both on farms and at the watershed level. This year, the province invested \$80 million into a cost-shared fund through the Agriculture Water Infrastructure Program, supporting investment in water storage and drought mitigation measures on farms and at the community level. A number of dairy farmers have tapped into that funding to invest in more field irrigation and barn cooling systems.



## Dairy Day at the Legislature

Every year we hold Dairy Day at BC's Legislature. The day is an opportunity for our board members and staff to meet with elected officials from all parties to share information about topics important to farmers – water, weather, cost of production, regulation, and more.

We visited the Legislature on May 2 this year, once again accompanied by Port Moody's Rocky Point Ice Cream. This was the first time we partnered with the Western Dairy Council – the industry association representing processors.

This is always a popular event for MLAs from across the province!

## A focus on processors

Growing farmers' businesses requires corresponding growth in dairy processing – something BC Dairy is always working to advance. We are calling on all BC political parties to commit to providing tax incentives to dairy processors to enhance their capacity in BC and support growth.



# Stronger working together.

## BC Dairy partnerships with other agricultural organizations.

BC Dairy partners with a number of other agricultural organizations to support the work of farmers in British Columbia and across Canada. We are stronger working together, and through collaboration we aim to ensure the voices of dairy farmers are heard at key tables across the country.



Dairy Farmers of Canada is Canada's national dairy industry association, representing the interests of dairy farmers coast-to-coast and supporting related research, policy work, production standards, nutrition education, and marketing. DFC maintains proAction and the Blue Cow Logo.

BC Dairy Board Representative: **Sarah Sache**



BC Dairy, through the Dairy Industry Development Council, is one of four provincial partners leading the development of Dairy Innovation West (DIW). DIW is a milk concentration plant under construction in Blackfalds, AB. Once operational in 2025 the facility will take in raw milk from Central Alberta farms and concentrate it for transport to milk processing plants as far away as Abbotsford, reducing associated transportation costs.

BC Dairy Board Representative: **Mark Van Klei**

## Western Milk Pool

Better Together for Canadian Dairy

British Columbia, Manitoba, Saskatchewan, and Alberta have an all-milk pooling system: the Western Milk Pooling (WMP) Agreement. This agreement provides for the sharing of returns and markets for all milk classes. The existence of this pool allows the four provinces to harmonize their activities, such as milk transportation, milk receiving at plants and milk allocation to plants. The transformation announced in 2022 is undergoing a redirection of efforts due to regulatory constraints, moving to an alignment of independent provincial organizations working together collaboratively.

BC Dairy Board Representative: **Mark Van Klei**



The BC Agriculture Council advocates for all farm sectors in the province, supporting industry-wide government engagement, communication, programs, and funding.

BC Dairy Board Representative: **Henry Bremer**



# Supporting producers in on-farm animal care practices.

**Changes to the Code of Practice for the Care and Handling of Dairy Cattle released March 31, 2023 require farmers to make some changes – some small, but others significant.** This past year BC Dairy's Producer Support Program rolled out a series of workshops supporting farmers in this change, while also producing a number of seminars and sessions on topics farmers have requested or that have been identified as priorities by BC's agriculture ministry.

In between workshops, our team is always available to address farmers' questions through on-farm visits, phone calls, and emails.

BC Dairy's goal is to directly support farmers in all dairy regions with information and practical tools to help them better manage their operations within regulations.

They also transmit information the other direction, gathering feedback from producers and ensuring it gets to the right places.

### Here to help

BC Dairy's Producer Support team is there for farmers. Producers are invited to reach out anytime to Morgan and her team with any questions about on-farm implementation of regulatory requirements, implementation of proAction, or assistance with proAction pre- or post-validation.





## Helping farmers adapt to animal care code revisions

The updated Code of Practice for the Care and Handling of Dairy Cattle was introduced in March of 2023, **with new requirements for calf housing, stocking density, animal handling, hoof trimming, pain medication, and other aspects of caring for animals.** Many of the changes came into effect April 1, 2024.

BC Dairy's Producer Support Manager Morgan Sangster led eight regional workshops on the changes as they came into effect, helping farmers understand the new requirements, their impacts, and potential changes on the farm. They also addressed numerous questions during in-person farm visits and by phone & email.

During workshops participants identified several topic areas where opportunities exist for further education. Our team is working to address these topics through additional workshops in the coming year.

BC Dairy also collected 20 pages of feedback from farmers about the code changes, compiling the comments into a report which is being shared with Dairy Farmers of Canada's proAction committee.



The committee will incorporate the code changes into proAction's animal care module. DFC is planning on-farm pilots of the new regulations, and committed to integrating feedback collected from both those pilots and the workshops into their process before developing a revised workbook for producers.





## Calf housing – a longer-term change

The new code requires that **calves be housed socially**, with requirements coming into effect through 2031 depending on the type of housing and whether it is indoor or outdoor. By 2031 the code will require all calves raised indoors to be paired or grouped by four weeks of age. The change will require many farmers to make significant infrastructure and management changes.

BC Dairy's Producer Support team is currently gathering information from farmers who have already made the change, gleaning insights into what worked and what didn't, challenges faced and their solutions, and the most economical approaches. We will use the insights to develop a new workshop on this specific element of the code and offer sessions in every dairy region in the coming year or two.

The team's goal is to share information with all BC dairy farmers about the incoming calf housing requirement well ahead of full implementation, along with practical learnings from farmers who have already made the transition.



# BC Dairy's Producer Support program, by the numbers:





# Nutrition education pivots to meet classroom needs.

**BC Dairy's nutrition education program has undergone a significant pivot over the last two years, culminating in a move to an entirely online offering.**

**The result** – a lot more teachers, and their students, are being reached with broad-based food programming that meets the latest in educational standards and nutrition science. The programming is being delivered in a way that teachers increasingly want: asynchronous and online.

BC Dairy adapted to the new trend. The nutrition team wrote updated content and filmed dietitian-led workshops for their programs for age groups ranging from early childhood through Grade 12.

The focus is less about teaching youngsters the facts about nutrition than it is about inviting them to explore different foods.

“

**The more foods kids are familiar with, the higher the likelihood their diet will be more varied, which makes for better nutrition in adulthood.**

**Erica Cahill**, Manager of Nutrition and Health Programs.

Dairy features in the programs, of course, but they also introduce children to a range of diverse options to explore. The approach aligns with modern teaching standards, BC curriculum, and provincial health regulations.



BC Dairy's nutrition education program, by the numbers:



**12,000+**

BC students took a BC Dairy nutrition education program in their classrooms this year.

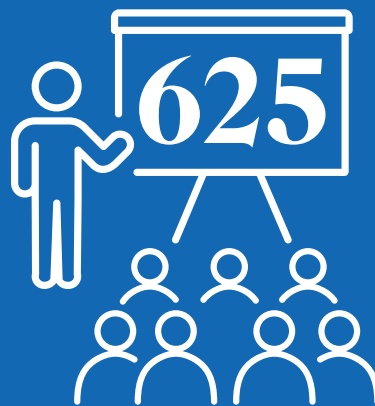
**UP 24% FROM THE YEAR PRIOR.**

**312**



Teachers signed up for our online nutrition education portal for the first time

**38% INCREASE FROM LAST YEAR.**



Public school teachers and early childhood educators took BC Dairy's nutrition education workshops this year.

**UP 10% FROM THE PREVIOUS YEAR.**

**30+**



BC Dairy's nutrition education resources were shared with over half of the 60 school districts in BC.



## Feeding children across BC

**During the 2023/2024 school year the province launched a new funding program called Feeding Futures**, providing financial support to all BC's school districts to build school food programs that serve vulnerable children.

Dairy is one of the most popular foods for these programs. A recent survey of Feeding Futures coordinators across BC school districts found 80% of BC's school districts serve dairy products weekly. However, 96% of these districts want to serve dairy more often.

BC Dairy collaborated with school district coordinators, the Western Dairy Council, and Canadian dairy processors to create a streamlined

way to connect all interested schools directly with processors from which they wanted to purchase products. Today, schools receive shipments of the dairy products they want directly from this program.

BC Dairy dietitians also represented the BC Agriculture Council on the province's Feeding Futures advisory committee, ensuring logistical challenges were brought forward and that dairy and other locally produced, nutritious foods remained an important option for in-school food programs.

BC Dairy is viewed as a resource by school feeding stakeholders and a champion for in-school food programs across BC.

## BC Agriculture in the Classroom

For the last decade, BC Dairy has partnered with BC Agriculture in the Classroom to support programs bringing wholesome local food into schools for hungry children - BC's School Fruit and Vegetable and +Milk program, as well as Take a Bite of BC.

During the 2023/2024 school year the +Milk program provided over 2.6 million servings of dairy to young students, reaching nearly every public school and First Nations school in BC. The program has been expanded to provide cheese and yogurt in addition to milk.



# Financial Statements.





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## INDEPENDENT AUDITOR'S REPORT

To the Members of British Columbia Dairy Association

### **Opinion**

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

- the statement of financial position as at July 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(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, 2024 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 "**Auditor's 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.

### ***Auditor's 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 29, 2024

**British Columbia Dairy Association**  
**Statement of Financial Position**

July 31, 2024, with comparative information for 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,191,083	\$ 889,415
Contributions and accounts receivable (note 2)	3,357,742	2,814,786
Prepaid expenses	648,348	486,409
Promotion and nutrition project supplies	25,378	69,350
	<u>5,222,551</u>	<u>4,259,960</u>
Capital assets (note 3)	569,727	47,408
	<u>\$ 5,792,278</u>	<u>\$ 4,307,368</u>


**Liabilities**

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 2,107,790	\$ 1,466,632
Deferred contributions (note 5)	84,375	84,375
	<u>2,192,165</u>	<u>1,551,007</u>
Net assets:		
Unrestricted net assets	2,687,358	2,342,567
Invested in capital assets	569,727	47,408
Internally restricted (note 6)	343,028	366,386
	<u>3,600,113</u>	<u>2,756,361</u>
Commitments (note 7)		
	<u>\$ 5,792,278</u>	<u>\$ 4,307,368</u>

See accompanying notes to financial statements.

Approved on behalf of the Association:

 Member

 Member



**British Columbia Dairy Association**  
**Statement of Operations**

Year ended July 31, 2024, with comparative information for 2023

	2024	2023
<b>Revenue:</b>		
Contributions from DIDC (note 8)	\$ 14,800,000	\$ 14,700,000
Contributions from dairy producers (note 8)	108,078	116,563
Recoveries and other contributions	713,799	486,026
Interest	75,490	64,104
	<u>15,697,367</u>	<u>15,366,693</u>
<b>Expenses:</b>		
Operations (Schedule A):		
Contributions to other organizations	5,032,520	4,776,256
General overhead and labour	4,275,590	3,715,142
Projects and Initiatives (Schedule B):		
Market Development	4,425,734	5,686,065
Producer and public affairs	644,612	878,196
Research and innovation	475,159	125,587
	<u>14,853,615</u>	<u>15,181,246</u>
<b>Excess of revenues over expenses</b>	<b>\$ 843,752</b>	<b>\$ 185,447</b>

See accompanying notes to financial statements.

British Columbia Dairy Association

## Statement of Changes in Net Assets

Year ended July 31, 2024, with comparative information for 2023

	Unrestricted	Invested in capital assets	Internally restricted	Total 2024	Total 2023
Balance, beginning of year	\$ 2,342,567	\$ 47,408	\$ 366,386	\$ 2,756,361	\$ 2,570,914
Excess (deficiency) of revenues over expenses	877,827	(34,075)	-	843,752	185,447
Net change in invested in capital assets	(556,394)	556,394	-	-	-
Transfer of funds (note 6)	23,358	-	(23,358)	-	-
Balance, end of year	\$ 2,687,358	\$ 569,727	\$ 343,028	\$ 3,600,113	\$ 2,756,361

See accompanying notes to financial statements.

**British Columbia Dairy Association**  
**Statement of Cash Flows**

Year ended July 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Cash received for contributions and recoveries	\$ 15,078,921	\$ 14,490,428
Cash received for interest	75,490	64,104
Cash paid for labour, materials and services	(14,296,349)	(15,049,273)
	858,062	(494,741)
Investing:		
Purchase of capital assets	(556,394)	(9,294)
Increase (decrease) in cash and cash equivalents	301,668	(504,035)
Cash and cash equivalents, beginning of year	889,415	1,393,450
Cash and cash equivalents, end of year	\$ 1,191,083	\$ 889,415

See accompanying notes to financial statements.



## British Columbia Dairy Association

# Notes to Financial Statements

Year ended July 31, 2024

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### **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) Revenue recognition:**

The Association follows the deferral method of accounting for contributions.

Contributions are recognized as revenue in the period in which the related expenses are incurred.

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.

Other revenues are recognized when the service is provided.

#### **(b) Allocation of expenses:**

Expenses are reported based on the principal functions of the Association. Where practical, expenses are attributed to the functions directly (Schedules A and B).

Labour and other expenses shared by multiple functions (including general support expenses) are reported by object (Schedule C) and are allocated to the functions of the Association.

**1. Significant accounting policies (continued):**

(c) 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.

(d) Capital assets:

Purchased capital assets are recorded at cost, less accumulated amortization. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated useful life of an asset, are capitalized. Capital assets are amortized on a straight-line basis as follows:

Asset	Rate
Computer equipment	3 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Remaining term of the lease

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that either the full or partial amount of the asset no longer has long-term service potential to the Association. If such conditions exist, an impairment loss is measured at the amount by which either the full or partial carrying amount of the asset exceeds its residual value.

(e) Financial instruments:

The Association's financial instruments are carried at cost and consist of cash and cash equivalents, 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.

(f) Measurement uncertainty:

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. Actual results could differ from those estimates.

**2. Contributions and accounts receivable:**

	2024	2023
Receivable from Dairy Industry Development Council, a related party	\$ 1,625,364	\$ 2,336,330
Other contributions and accounts receivable	1,732,378	478,456
	<u>\$ 3,357,742</u>	<u>\$ 2,814,786</u>

There are no allowances for doubtful accounts.

**3. Capital assets:**

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 78,156	\$ 57,837	\$ 20,319	\$ 7,844
Furniture and fixtures	168,273	106,983	61,290	20,838
Vehicles	199,282	199,282	-	16,534
Leasehold improvements	488,118	-	488,118	2,192
	<u>\$ 933,829</u>	<u>\$ 364,102</u>	<u>\$ 569,727</u>	<u>\$ 47,408</u>

**4. Accounts payable and accrued liabilities:**

	2024	2023
Payable to suppliers for supplies and services	\$ 2,017,402	\$ 1,381,903
Accrued liabilities include amounts payable to/on behalf of employees for wages and benefits	90,669	84,686
Payable (receivable) to Receiver General for GST and source deductions	(281)	43
	<u>\$ 2,107,790</u>	<u>\$ 1,466,632</u>



**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 ("CIDC") and Beef Cattle Industry Development Fund ("BCIDF"). 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.

Other deferred contributions relate to funding received for future projects or programs.

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

	2024	2023
Deferred contributions, beginning of year	\$ 84,375	\$ 130,275
Add: amounts received for programs	112,500	112,500
Less: amounts recognized as revenue in the year	(112,500)	(158,400)
Deferred contributions, end of year	\$ 84,375	\$ 84,375

Deferred contribution balances relate to:

	2024	2023
CIDC/BCIDF	\$ 84,375	\$ 84,375

**6. Internally restricted net assets:**

The Association collects penalties from dairy producers to fund research and education projects. During the year, the Association collected \$108,078 (2023 - \$116,563) from producers, contributed \$11,922 (2023 - \$3,437) from unrestricted funds and spent \$143,458 (2023 - \$76,719) on projects. At year-end, the balance in the dairy industry research and education fund was \$343,028 (2023 - \$366,386).

## 7. Commitments:

The Association entered a new office lease for ten years, commencing in June 2024. The lease requires a minimum monthly payment of \$16,733 in the first year. This payment increases to \$17,022 for the following years. The Association has entered into a cost sharing arrangement for 50% of the office lease costs.

## 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 \$14,908,078 (2023 - \$14,816,563) to the Association. At July 31, 2024, \$1,625,364 (2023 - \$2,336,330) 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 July 31, 2024 (seven months), with comparative information for December 31, 2023 (12 months). The Council's complete financial statements are available to members upon request.

	July 31, 2024	December 31, 2023
Financial position		
Total assets	\$ 18,948,405	\$ 11,796,236
Liabilities and Net Assets:		
Total liabilities	\$ 10,491,887	\$ 2,847,648
Total net assets	8,456,518	8,948,588
	\$ 18,948,405	\$ 11,796,236

**8. Related party and related party transactions (continued):**

	January 1, 2024 to July 31, 2024	Year ended December 31, 2023
Results of operations		
Total revenues	\$ 8,812,157	\$ 14,924,355
Expenses:		
Fees to BC Dairy	8,600,000	15,100,000
Administration, audit and legal	257,168	214,672
Membership dues	-	180,606
Research and education	65,434	101,703
	8,922,602	15,596,981
Deficiency of revenues over expenses from operations	\$ (110,445)	\$ (672,626)
Cash flows year ended July 31		
Cash provided by (used in):		
Operating activities	\$ (246,849)	\$ (512,819)
Financing activities	7,759,896	1,015,335
Investing activities	(9,176,676)	1,230,611
Increase (decrease) in cash	\$ (1,663,629)	\$ 1,733,127

**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.

**10. Financial risks:**

The Association's financial risks are:

**(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 risk relates to its contributions and accounts receivable. The Association monitors the credit risk of customers through credit rating reviews.

**(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 outlined above from the prior year.



**British Columbia Dairy Association**  
**Schedule of Expenses**

Year ended July 31, 2024, with comparative information for 2023

**Schedule A - Operations**

	2024	2023
<b>Contributions to other organizations:</b>		
Dairy Farmers of Canada	\$ 4,825,014	\$ 4,572,841
Regional organizations	123,937	121,426
BC Agricultural Council	83,569	81,989
	<b>\$ 5,032,520</b>	<b>\$ 4,776,256</b>
<b>Labour expenses:</b>		
Salary and wages	\$ 1,659,583	\$ 1,480,593
Employee benefits, supplies, and payroll taxes	276,219	231,434
Employee professional dues, development and recognition	25,126	46,391
Labour subcontracts	210,497	123,883
Human resources and recruiting	57,993	103,980
	<b>2,229,418</b>	<b>1,986,281</b>
<b>Operating expenses:</b>		
Professional fees and consulting	671,778	541,358
Directors' fees	391,030	202,027
Travel of staff and directors	337,697	284,903
Rent and office expenses	170,722	193,232
Audit, accounting, and legal	162,683	169,144
Information technology	139,025	132,941
Conferences and meetings	103,204	105,119
Amortization	34,075	53,189
Entertainment, hospitality, gifts and donations	15,171	17,508
Insurance	12,268	12,956
Telephone and communications	5,806	7,619
Interest and bank charges	4,820	4,955
Postage and couriers	1,183	4,210
Gain on disposal of capital assets	(3,290)	(300)
	<b>2,046,172</b>	<b>1,728,861</b>
	<b>\$ 4,275,590</b>	<b>\$ 3,715,142</b>

**British Columbia Dairy Association**  
**Schedule of Expenses**

Year ended July 31, 2024, with comparative information for 2023

**Schedule B - Projects and Initiatives**

	2024	2023
Market development:		
Marketing programs	\$ 3,439,776	\$ 4,708,898
Community engagement	594,229	519,621
Nutrition and dairy education	391,729	457,546
	<u>4,425,734</u>	<u>5,686,065</u>
Producer and public affairs:		
Producer engagement	340,780	374,165
Producer services	230,492	232,436
Public affairs	73,340	271,595
	<u>644,612</u>	<u>878,196</u>
Research and innovation	475,159	125,587
	<u>\$ 5,545,505</u>	<u>\$ 6,689,848</u>

## British Columbia Dairy Association Schedule of Expenses

Year ended July 31, 2024, with comparative information for 2023

### Schedule C - Costs by business area

	2024				2023			
	Administration	Market Development	Producer and Public Affairs	Total	Administration	Market Development	Producer and Public Affairs	Total
Contributions to other organizations	\$ 5,032,520	\$ -	\$ -	\$ 5,032,520	\$ 4,776,256	\$ -	\$ -	\$ 4,776,256
Labour expenses	966,222	717,946	545,250	2,229,418	824,768	575,449	586,064	1,986,281
Operating expenses	1,928,249	39,326	78,597	2,046,172	1,592,081	64,232	72,548	1,728,861
	7,926,991	757,272	623,847	9,308,110	7,193,105	639,681	658,612	8,491,398
Project and initiative based expenses	-	4,425,734	1,119,771	5,545,505	-	5,686,065	1,003,783	6,689,848
	\$ 7,926,991	\$ 5,183,006	\$ 1,743,618	\$ 14,853,615	\$ 7,193,105	\$ 6,325,746	\$ 1,662,395	\$ 15,181,246





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