2024–25

Annual Report

Vision

Better Together for Canadian Dairy

Mission

Inspiring, innovating, and collaborating to build a healthy Canadian dairy industry

Table of Contents

Chair's Message....4
General Manager's Message....5
Governance & Leadership....6
Western Milk Pool Update....10
Milk Production....12
Milk Quality....14
proAction®....18
Transportation....20
Research....21
Sustainability....22
Dairy Innovation West Project Update....23
Marketing and Community Engagement....25
Nutrition....27
Dairy Farmers of Canada Report....30
Local Advocacy....34
Management Discussion and Analysis....35
Financials....39

Chair's Message

As I wrap up my time as Chair, I've been thinking a lot about how far we've come and, mostly, how proud I am to have been part of this journey with all of you.

When I first stepped into this role, I couldn't have imagined the changes and progress our industry would see. But through it all, one thing has stayed the same: the way dairy farmers in Alberta and across the country show up for each other and our industry. From building stronger ties regionally through the Western Milk Pool, to collaborating nationally with other industry organizations that make a real difference—these experiences have been some of the greatest privileges of my time as Chair.

Seeing Dairy Innovation West come to life has been a real highlight. What started as an idea years ago is now a state-of-the-art facility that will create new opportunities for producers right here at home and across Canada. It's proof of what we can do when we put our heads together and keep our focus on the future.

But our collaboration can't stop at the farm gate. While producers have shown what's possible when we work together, we also need to keep building strong relationships with others across the value chain, especially our processors, who connect our hard work to the end consumer. Together, we can better understand and anticipate what Canadians want, ensure their continued trust in dairy, and grow the industry responsibly for the long term.
I also want to acknowledge the progress in national conversations around governance and the future of our agricultural industry as a whole. Change isn't always easy, but it's important and I'm encouraged to see us leaning into those discussions with openness and a shared commitment to making things better for farmers everywhere.

To all of you: thank you. Thank you for trusting me as your Chair, for your support, and for everything you do day in and day out to keep this industry strong. It's been an honour to represent you and to work alongside so many passionate, hardworking people both on the farm and in the board room.

I may be stepping down as Chair, but I'm not going far. I'll be staying on as a delegate because I still love this work and this industry and I want to keep doing my part to help it grow.

Here's to the next chapter and to the farmers, partners, and organizations who make it all possible.

Stuart Boeve
Chair, Alberta Milk

General Manager's Message

This past year has been one of both reflection and forward movement. Across the national, regional, and provincial levels, we've seen meaningful collaboration turn into tangible progress and new opportunities for Alberta's dairy industry.

At the national level, a first-ever P10 strategic plan was developed, marking a milestone in collaboration and shared purpose. Alongside that, the agreement on a renewed vision, mission, and values for Dairy Farmers of Canada (DFC) has provided greater clarity on DFC's role and reaffirmed its place as the collective voice of Canadian dairy farmers. These are important steps in strengthening how we work together and how we represent farmers across the country.

Regionally, our partnership within the Western Milk Pool (WMP) continues to grow stronger both strategically and operationally. The 10-year WMP strategic plan, now nearing completion, will help guide our shared priorities into the next dairy year and beyond. Day to day, our collaboration with WMP partners has deepened through cost-sharing agreements and project charters that bring focus to our joint efforts, reinforce transparency and continuity, and manage risk, all while ensuring Alberta Milk continues to operate efficiently and effectively within the broader western system.

Here at home, we have made significant progress toward the Board's strategic plan objectives, from transportation and producer engagement to supporting small and medium processors. One of the highlights for me this year was the Alberta Milk producer satisfaction survey. With an impressive 30 percent participation rate, the results offered valuable insight into how we can continue improving. But, just as importantly, they reflected something that makes me incredibly proud: the overwhelming recognition of our staff's professionalism, expertise, and commitment. Their dedication to serving producers and advancing the dairy sector is the foundation on which our organization is built.

As we look ahead, there's every reason to be optimistic. Yes, we face challenges from factors like trade pressures and shifting market realities but we're also entering a period of exciting opportunity. Our collective focus remains on building a strong, resilient, and unified national supply management system, improving efficiency, and creating new avenues for growth.

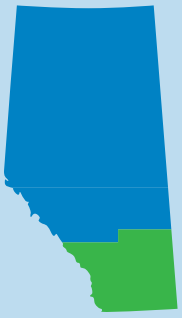
To our producers, staff, and partners: thank you for your continued trust and collaboration. Your passion and persistence drive this industry forward, and together, we're building something stronger every year.

R Joosse

Reuben Joosse
General Manager, Alberta Milk

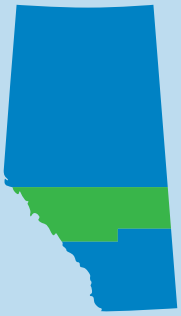
Governance & Leadership

Alberta Milk is governed by a board of directors (Board) elected from the delegate body, to represent the interests of all licensed dairy producers in Alberta. The board sets policy and outlines the strategic direction of the organization through the Strategic Plan. The board also works collaboratively with regional and national partners to maintain and grow a thriving dairy industry within Canada's supply-managed system.



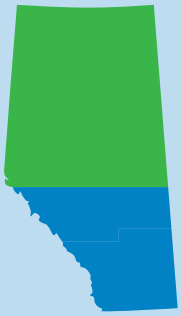
South

Stuart Boeve
Dustin Grisnich
Gerrit Haarman
Alex Huisman
Tim Hummel
Gerrit Van Asch
Mike Vanden Dool
Mark Van Zeggelaar
Martin Van Diemen
Conrad Van Hierden



Central

Jesse Bouwknecht
JP Brouwer
Dylan Wyntjes
Arjan Ijzerman
Jason Prinse
Gert Schrijver
Wim van de Brake
Willem Vanderlinde
Cornel van't Klooster
Miranda Verhoef



North

Jason Crozier
Fred Hofstra
Alain Lavoie
Gezinus Martens
David Morey
Joel Prins
Jason Rietveld
Mike Roth
Carina Sturkenboom
Jake Vermeer

Delegates

Delegates support producers in their respective regions through grassroots communication and engagement, and inform the board on issues of importance. There are ten delegates in each of the three (south, central, and north) regions, which form the region committees. Each delegate is elected to represent the producers in their region for three year terms.

As we said thank you and goodbye to Tietsia Hyuzer, Greg Debbink, and Eric Vanderveen, we welcomed Alain Lavoie, Dylan Wyntjes, and Mark Van Zeggelaar to the delegate body.

Directors

The board is made up of nine directors; six are elected as region directors, and three are elected as directors at large.

Alberta Milk would like to acknowledge and thank outgoing director Miranda Verhoef for her dedication and service to the industry, and we welcome our newest director, Arjan Ijzerman, to the board.

Board of Directors

North Region	Jason Rietveld, David Morey
Central Region	Cornel van't Klooster, Arjan Ijzerman
South Region	Stuart Boeve, Mike Vanden Dool
Directors at Large	Gerrit Haarman, Wim van de Brake, Conrad Van Hierden

Standing Committees

Audit and Risk Committee *Four directors*	Jason Rietveld, Cornel van't Klooster, Mike Vanden Dool, Arjan Ijzerman
Governance Committee *Board Chair and two other directors*	Stuart Boeve, David Morey, Wim van de Brake
National & Interprovincial Committee (NIC) *Board Chair, Vice Chair, DFC representative (unless they are the Board Chair or Vice Chair)*	Stuart Boeve, David Morey, Wim van de Brake

External

Dairy Farmers of Canada Delegates	Stuart Boeve, Gerrit Haarman, David Morey, Jason Rietveld, Wim van de Brake (DFC Director), Conrad Van Hierden
Western Milk Pool Advisory Committee	Stuart Boeve, Jason Rietveld
Dairy Innovation West, DIW Buildings and Land Corporation	Cornel van't Klooster

AB Milk Board From L-R:
Top row: Cornel van't Klooster, Arjan Ijzerman, Mike Vanden Dool, Conrad Van Hierden, Stuart Boeve, Reuben Joosse, Gerrit Haarman, David Morey
Bottom row: Jason Rietveld, Wim van de Brake

Governance & Leadership

Reviews and Appeals

A review hearing may be requested by a person affected by any decision of Alberta Milk. If the applicant is unsatisfied with the outcome of the review, they can appeal the review decision to the Appeal Tribunal, as defined in the *Marketing of Agricultural Products Act*. There were no review hearings held in 2024-25.

Regulations and Bylaws

In 2024, Alberta Milk initiated a regulatory and bylaw review to ensure continued relevance and effectiveness. This review is mandatory every five years and is supervised by the Alberta Agricultural Products Marketing Council (Marketing Council). While some significant amendments may be required in the coming years to ensure continued compliance to national direction and international trade obligations, the political climate in 2024-25 was not conducive to a large-scale review and therefore only administrative amendments were put forward for consideration. The amendments focused on adding clarity, correcting references and terminology, and creating flexibility that makes it easier for producers' voices to be heard.

Delegates were consulted on the proposed amendments in March 2025 and provided their advice to the board for consideration. All producers engaged in a further discussion on these options during the 2025 Spring Producer Meetings. Pending all necessary approvals, the amendments are expected to take effect by February 2026.

Alberta Milk would like to thank the Government of Alberta and Marketing Council for their continued support in ensuring our regulatory framework is effective and modern.

Governance

The Alberta Milk Board remained committed to good governance practices and completed the following activities:

- Reviewed and amended the Board's governing policies in August 2024;
- Completed performance assessments for the Board as a whole and the General Manager;
- Created a 2024-26 Strategic Plan for Alberta Milk, in alignment with the Western Milk Pool;
- Held two delegate workshops (September 2024 and March 2025) to discuss strategic issues facing the Canadian dairy industry and support succession planning; and
- Continued supporting the renewal of two federal-provincial agreements, including the Western Milk Pooling Agreement, to ensure the western Canadian dairy industry is positioned for further economic growth.


1202

Western Milk Pool Update

Building a Shared Future

The Western Milk Pool (WMP), representing the provincial dairy organizations of British Columbia, Alberta, Saskatchewan, and Manitoba, began an ambitious vision in 2022 to unite five provincial organizations into a single entity. This transformation initiative aimed to achieve cost efficiencies, unlock new growth opportunities, and address challenges and risks that no single province could manage on its own. While a merger proved premature, the underlying goal of being better together remained. In 2024–25, the WMP shifted from transformation to collaboration, and began building a shared strategic plan through the Western Milk Pool Advisory Committee (WMPAC) that will be operationalized through the Western Collaboration Team (WCT).

The WMP Strategic Plan establishes bold priorities that reflect the issues most important to Western dairy producers:

- **Align revenues and costs.** To date, national efforts have largely focused on revenues, and this priority shifts the focus towards addressing costs and markets. Western milk boards are advancing this work by leading on transportation cost efficiency. Early initiatives are already delivering savings, with more opportunities identified through an integrated Western transportation strategy.

- **Value for all components of milk.** A central focus is on reducing structural surplus by creating more value and finding markets for all milk components. The WMP is collaborating with processors on innovation initiatives, expanding capacity, developing new products, and enhancing the alignment between production and market demand.

- **Drive Canadian demand.** The WMP is contributing to national efforts to make dairy a leading choice of protein and fat for Canadians. This includes targeted market analysis, stronger alignment between producers and processors with consumer trends, and active participation in building sustainability frameworks that foster public trust.

The WMP Strategic Plan is a milestone achievement in Western collaboration. It provides a roadmap for how the Western provinces will work together with processors, key stakeholders, and national partners to ensure a more resilient, profitable, and sustainable dairy industry.

Milk Production

The 2024–25 dairy year concluded with 459 dairy farms operating across Alberta, collectively shipping 880,239,497 litres of milk, which accounts for 9.01 percent of Canada's total milk production. The province's average butterfat content reached 4.37 kg/hL, marking a 1.46 percent increase from the previous year's average of 4.30 kg/hL. As a result, Alberta contributed 38,429,605 kg of butterfat to the national dairy supply.

The WMP successfully avoided any over or underproduction penalties during the year. It closed the period with a cumulative quota position (CQP) of -1.42 percent underproduction, relative to its Canadian Dairy Commission (CDC) allocated quota. In comparison, the P5 pool ended the year with a +2.72 percent CQP, bringing Canada's overall CQP to +1.04 percent overproduction at year-end.

Alberta's solids-non-fat (SNF) to butterfat (BF) ratio stood at 2.12, well below the provincial limit of 2.42, and reflected a 1.09 percent decrease from last year's ratio of 2.14. Across the WMP, the combined SNF:BF ratio was 2.09, also within the pool's limit of 2.40, and down 1.62 percent from the previous year's ratio of 2.12.

Quota and Underproduction Credits

For the 2024–25 dairy year, Alberta's Total Production Quota (TPQ) allocated by the CDC was 38,156,624 kg of butterfat, representing a 4.13 percent increase from the 2023–24 level of 36,642,494 kg.

To align with this growth, Alberta Milk implemented three quota increases during the year:

- September 2024: +2.0 percent producer quota
- January 2025: +2.0 percent producer quota
- March 2025: +2.4 percent producer quota

Over the course of the year, 1,634.38 kg of Continuous Daily Quota (CDQ) was transferred through the producer quota exchange, a 2.18 percent increase compared to the previous year. Additionally, Alberta producers exchanged 653,781.78 kg of underproduction credits among themselves, marking a 3.72 percent increase year-over-year.

Incentive Days and Credit-use Restrictions

In 2024–25, Alberta Milk granted a total of 24 incentive days to both organic and conventional producers—two days per month from August 2024 through July 2025.

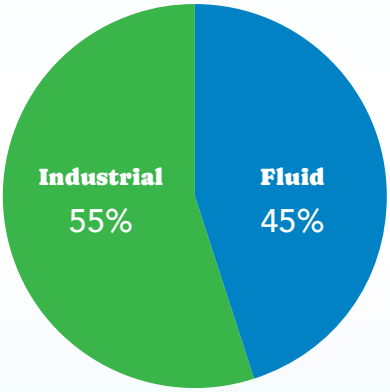
No credit-use restrictions were applied during the year.

Producer Payment

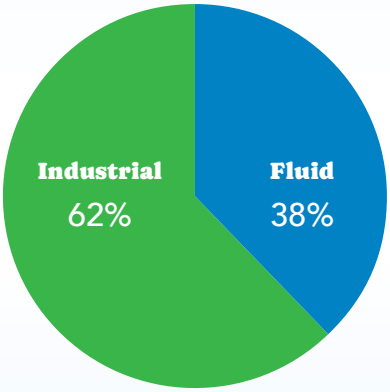
Year	2023-24	2024-25
Provincial Butterfat (kg/hL)	4.3025	4.3658
Provincial Protein (kg/hL)	3.2995	3.3251
Provincial OS (kg/hL)	5.9140	5.9214
Pool Deductions ($/kg)	0.04	0.05
Producer BF price ($/kg)	18.98	19.22
Producer PR price ($/kg)	2.91	2.97
Producer LOS price ($/kg)	0.81	0.83
Average Milk Price ($/hL)	96.08	98.74
Total Producer Revenue ($)	805,208,395	869,126,403

Milk Class	Volume (L)	Butterfat (kg)	Protein (kg)	Other Solids (kg)	Total Revenue
Class 1	895,094,511	40,389,009	29,758,342	52,921,545	$1,133,839,805
Fluid	**895,094,511**	**40,389,009**	**29,758,342**	**52,921,545**	**$1,133,839,805**
Class 2	69,964,339	7,623,761	2,149,125	3,845,498	$122,562,695
Class 3	839,945,996	30,570,669	28,080,862	50,134,876	$799,161,541
Class 4	543,702,676	25,226,031	18,022,576	32,097,832	$439,436,828
Industrial	**1,453,613,011**	**63,420,461**	**48,252,563**	**86,078,206**	**$1,361,161,065**
Class 5	50,144,356	4,560,728	1,574,912	2,823,489	$58,381,481
WMP	**2,398,851,878**	**108,370,198**	**79,585,817**	**141,823,240**	**$2,553,382,351**

WMP Milk Revenue ($)



WMP Milk Volume (L)



New Producer Assistance Program

In 2024–25, Alberta Milk reviewed nine applications for the New Entrant Assistance Program (NPAP):

- Three approved;
- Two declined; and
- Four advanced past step one (expression of interest) and their step two (full application) applications are pending.

The NPAP supports new conventional milk producers entering the industry and remains open to applications. Full program details and application requirements are available on the Alberta Milk website.

Milk Quality

This year saw the continuation of the WMP Harmonized Progressive Penalty Program (PPP) through its second full year. Provincial PPP compliance numbers demonstrated that producers are consistently achieving very high milk quality standards. These standards continue to assure Canadians that they are consuming quality milk.

Producer results were the lowest bacteria (IBC) provincial averages and lowest inhibitor positives on record, but there was a small setback with Somatic Cell Count (SCC).

Milk Sampling

Milk sample test results are the building blocks of producer payment, milk quality bonus programs, awards, and penalties. Producers rely on several industry partners including the milk transportation companies, dairy processors, couriers, and the Lactanet Central Milk Testing (CMT) lab to collect and deliver samples for testing in a timely and controlled manner.

Sample Suitability* & Testing

Dairy Year (August 1 to July 31)	2023–24	2024–25
Number of milk samples from shipments	95,610	94,949
Number of valid samples tested	93,662	93,700
Percent of milk shipments tested	98.0%	98.7%

*Common causes of suitability issues include missing or leaking samples, temperature abuse and courier delays.

Sample Turn Around Time

Sample Turn Around Time (STAT) is a measure of the difference in time from producer sample date to lab test date. In the fall of 2022, Alberta Milk announced the goal of having the provincial average of 1.5 days, including Sundays and holidays.

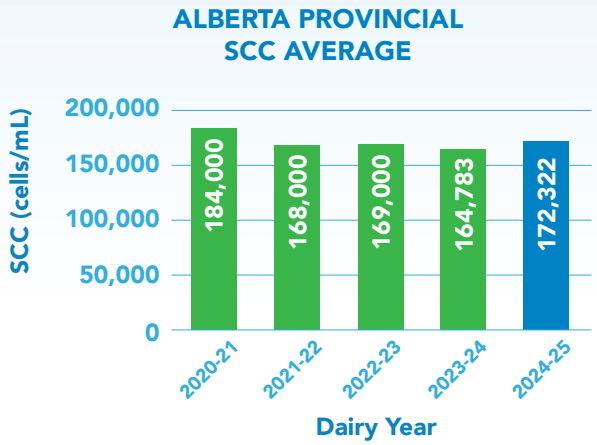
The average STAT this year was 1.47 days, which is meeting the provincial target. Work continues to fine-tune the system by improving courier and sample delivery times without additional cost.

Sample Turn Around Time (STAT)

Year	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Yearly Average
22–23	1.82	1.62	1.55	1.55	1.66	1.53	1.57	1.47	1.54	1.55	1.49	1.53	1.57
23–24	1.51	1.53	1.48	1.61	1.57	1.44	1.50	1.46	1.43	1.50	1.48	1.41	1.49
24–25	1.54	1.42	1.53	1.53	1.52	1.46	1.52	1.43	1.40	1.49	1.38	1.37	1.47

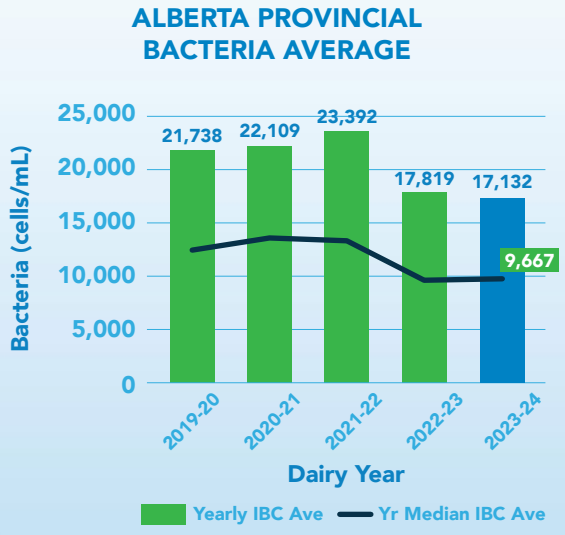
Milk Quality

SCC is an important indicator of milk quality and animal health. The 2024–25 provincial average of 172,322 cells/mL was 4.7 percent higher than the previous provincial average. This is the first increase in six years, ending a slow and steady decline in SCC values.



Bacteria counts (IBC) in raw milk are also used as an indicator of raw milk quality.

Alberta producers achieved a new record with a low yearly provincial average IBC of 16,741 cells/mL (down 2.3 percent). These low bacteria results continue the trend from 2023–24 and indicate the switch to PPP has influenced bacteria counts.



Progressive Penalty Program (PPP)

Alberta producers have now been using the PPP for two full dairy years and continue to show improvement in milk quality. Under PPP, producers are assessed a penalty on only the volume of any non-compliant milk shipped. The amount of the fine increases with frequency, and a suspension is applied if violations exceed a limit within a rolling 12-month period.

Again this year, very few producers had sample results that exceeded the regulatory maximum, continuing the trend of high-quality milk. Both IBC and Freezing Point had fewer samples above the regulatory limit, while SCC had slightly more penalties applied than last year.

Milk Measurement

Providing producers and processors with accurate milk volume is a priority. Alberta Milk contracts with International Dairy Calibrations Alberta Ltd to calibrate all new bulk milk tanks and re-calibrate existing tanks every five years.

Milk Quality

Raw Milk Quality Test Compliance 2024–25			
Milk Quality Measure	Bacteria (cells/mL)	Somatic Cell (cells/mL)	Freezing Point (degrees Hortvet)
Number of samples	86,999	93,700	93,700
Number of samples below the regulatory limit	86,116	92,817	93,669
Percent of samples below the regulatory limit (percent change from last year)	98.99% (+0.05%)	99.30% (-0.14%)	99.97% (+0.01%)
Penalties applied	883	653	31
Number of producers penalized	259	92	13
Level 1 (1to 10) $5/hL	248 (96%)	71 (77%)	12 (92%)
Level 2 (11 to 20) $15/hL	11 (4%)	11 (4%)	1 (8%)
Level 3 (21 to 30) $45/hL	0	10 (4%)	0
Level 4 (over 30) $45/hL + suspension	0	0	0

Celebrating Excellence in Milk Quality

Alberta Milk has two programs for rewarding excellence in milk quality. Below are the criteria for the Monthly Milk Quality Bonus, and Milk Quality Awards.

Milk Quality Parameter	Monthly Milk Quality Bonus	Milk Quality Award
proAction®	Registered and deemed compliant with proAction	Registered and deemed compliant with proAction
Bacteria	Average of 30,000 cells/mL or less	Average of 15,000 cells/mL or less
Somatic Cell Count	Average of 250,000 cells/mL or less	Average of 200,000 cells/mL or less
Freezing Point	At or under -0.525 degrees Hortvet	At or under -0.530 degrees Hortvet
Inhibitors	No positive inhibitors	No positive inhibitors
Rejections	No rejections on farm or at the processor	No rejections on farm or at the processor
Results	An average of 80% of producers qualified and collected $1,369,968 of available funds in the dairy year.	Of the producers who shipped in all 12 months, 188 producers (42%) qualified.

Congratulations to Buffalorock Farm Ltd. on winning the Provincial Milk Quality Award for the first time!

Alberta's Top Ten Dairy Farms for Milk Quality
BUFFALOROCK FARM LTD.
HUTTERIAN BRETHREN OF NEUDORF
H & J LEUSINK DAIRY LTD.
P & C DAIRY LTD.
BEYER DAIRY LTD.
HUTTERIAN BRETHREN OF BLUEGRASS
SYLVANSIDE DAIRY LTD.
GDL FARMS LTD.
LOS DAIRIES LTD.
HUTTERIAN BRETHREN CHURCH OF HOLT

Nestled in the scenic Mountain View County near Olds, Buffalorock Farm Ltd. stands as a testament to dedication, teamwork, innovation, and family-driven farming.

The Ridders moved from the Netherlands in 1998, where they embraced a new life, and built a legacy in Alberta's dairy industry. Over the years, Buffalorock Farm has grown into a thriving operation with 200 cows, both milking and dry, housed in a freestall barn with sand bedding. The farm utilizes a 2 x 10 parallel parlour, ensuring efficient and comfortable milking practices. With a strong focus on cow comfort, environmental consciousness, and operational efficiency, the Ridders have continually upgraded their facilities to reflect these values.

In 2018, Berend's parents moved back to the Netherlands. Berend and Karin continued to farm, and their kids Sem, Mike, Ella, and Jace, have shown lots of interest in farming, whether it's helping with the custom farming side of the business, or milking and taking care of the animals. Berend and Karin also have two full-time employees, Jeff and Hendrik, who are huge contributors to the overall daily operations and success.

Beyond dairy, Buffalorock Farm cultivates a variety of crops including corn, alfalfa, barley, and canola, integrating sustainable practices such as manure management to enrich the soil and support crop growth.

These commitments to excellence and sustainability have earned Buffalorock Farm the Provincial Milk Quality Award for 2024–25, recognizing their outstanding contributions to Alberta's dairy sector.

proAction®

Click to view website

Value of proAction®

Dairy supply chain dynamics are changing at every level, from trade uncertainty, to climate impacts, to changing consumer preferences and expectations.

It is more important than ever to ensure dairy producers can speak with confidence about their commitments to producing high quality milk under some of the world's most stringent standards.

Consumers want to know more about what is in their food and where it comes from. That is why DFC developed proAction, a national quality assurance program for the Canadian dairy sector. proAction is mandatory on all Canadian dairy farms, providing a framework for high standards of farming. Under proAction, farmers demonstrate excellence in six distinct areas: milk quality, food safety, animal care, livestock traceability, biosecurity, and environment.

The proAction program also underpins the Blue Cow Logo, one of the most influential and trusted food logos in Canada. The Blue Cow Logo is a powerful symbol of excellence in milk production, and it plays an important role in the dairy sector's efforts to connect with today's consumer.

The Blue Cow Logo is recognized by nine out of ten consumers and appears on more than 8,600 dairy products. When you see the Blue Cow Logo, you can be certain that you're reaching for a dairy product made using 100% Canadian milk and milk ingredients.

DAIRY FARMERS OF CANADA | LES PRODUCTEURS LAITIERS DU CANADA

Animal Care Pilot Update

The proAction program incorporates the latest research and technological innovations and evolves continuously as new best practices are identified. Alberta Milk works with DFC and its provincial partners to ensure changes to proAction remain practical on-farm and continue to build confidence in dairy industry practices.

For example, the requirements of the proAction Animal Care module are based on the Dairy Code of Practice requirements. With the new 2023 Code now in effect, the proAction Animal Care Technical Committee (ACTC) has been tasked with updating the Animal Care module to reflect the updated 2023 Code.

As part of this update process, a pilot was conducted which had the following primary objectives:

1. To ensure that these new proposed requirements and updates are practical;
2. That they have the ability to be validated;
3. To help identify any additional on-farm scenarios and roadblocks; and
4. Collect general feedback.

Alberta Milk delivered several activities from January to March 2025 as part of our pilot strategy. These included:

1. A validator training session with the seven western provincial validators;
2. Mock validations with 53 producers who had a full validation between the months of January to March;
3. Producer sessions to test the requirements and collect feedback; and
4. Industry service provider sessions to test their relevant requirements and obtain feedback.

Producer participation in these activities was critical and provided the opportunity to help guide the integration of the proposed requirements into proAction.

The information and feedback collected was shared with the ACTC for further review. Final recommendations will go to the proAction Committee for approval. Once approval at the proAction Committee is reached, the requirements will be sent to the DFC Board for final approval.

Beginning in April 2027, producers can expect to see these new and/or updated Animal Care module requirements as part of their full validation.

Transportation

Alberta Milk strives diligently each day to ensure the most cost-effective transportation of milk within the province and throughout the WMP. This is accomplished through collaboration with our WMP provincial partners, producers, milk transportation companies and dairy processors.

Interprovincial milk movement continues to shift in response to provincial production and processor demand. There was an increase in the volume of milk delivered to British Columbia for additional processing that was available in the WMP. Volumes delivered to Saskatchewan and Manitoba remained relatively unchanged for the 2024–25 dairy year.

179

(175 in 2023–24)

Average number of routes every two days.

1

TANDEM ROUTE

Utilized for partial deliveries in Edmonton.

158

TRIAXLE ROUTES

Utilized for single, double, triple and interprovincial loads.

20

B-TRAIN ROUTES

Utilized for interprovincial loads.

Number of milk transportation companies:

13

Research

This year marked another milestone for Alberta Milk and its western provincial partners with the launch of the Western Dairy Research Collaboration (WDRC).

One of the first accomplishments of the WDRC was to work together with western research institutions and research partners across Canada to achieve one research strategy which will streamline research efforts to address industry challenges. This western research strategy will guide the funding of applied and basic research, leverage the expertise of local academic institutions, and respond to the dynamic needs of the industry.

WDRC Goals

- Increase the value of research to producers through targeted knowledge translation and transfer (KTT) activities.
- Work collaboratively with research partners to leverage producer dollars invested in research.
- Maximize impact on innovation and progress for the dairy industry, addressing key challenges and gaps.

The creation of WDRC helped to secure the following resources:

- A Dairy Research and KTT Specialist to coordinate research and KTT activities;
- A Producer Working Group (PWG) consisting of two producers from each province; and
- Relevant western provincial staff to support research and KTT initiatives.

Each year the PWG will review research project proposals for alignment with the western research priorities and assess the projects based on benefit to industry.

Research project proposals endorsed by the WDRC are then presented to various government agencies (eg: Results Driven Agriculture Research – RDAR) to secure the bulk of the project funding required.

WDRC Research Priorities

- Dairy Farm Sustainability (*Economic, Social and Environmental*);
- Animal Health, Care, and Welfare; and
- Milk Quality, Composition, and Processing.

Sustainability

The Canadian dairy industry continued to make progress on its commitment to Net Zero by 2050.

As part of this commitment to reducing greenhouse gas (GHG) emissions, lowering the carbon footprint, and enhancing the sustainability of dairy farms, the Canadian dairy industry is working to encourage implementation of best management practices (BMPs) that makes sense at the farm level.

Dairy industry partners, such as processors and retailers, have also made corporate commitments regarding 2030 and 2050 emission reduction targets which require data that demonstrates emissions reductions on dairy farms – these are called Scope 3 emissions.

The industry has started conversations about investments into potential on-farm projects to reduce Scope 3 emissions, and incentives to encourage producers to collect on-farm data to help meet processor and retailer commitments.

To that end, DFC and the provinces have implemented the following:

- A Sustainability Committee and a Sustainability Incentive Model Sub-Committee to work on a business model to financially support Canadian dairy farmers, sustainability efforts.
- An On-Farm GHG Calculator Pilot Project to assess the Cool Farm Tool as a measurement tool designed to:
    - Measure farms' carbon footprints;
    - Help farms to monitor their individual progress; and
    - Develop customized plans to reduce emissions and improve environmental impact.

Forty dairy producers from across Canada participated in this pilot, including three from Alberta.

The next phase of the Canadian dairy industry's sustainability journey will include creating a national incentive package intended to reward dairy producers for their on-farm efforts towards Net Zero by 2050; this phase will include a fulsome dialogue with all industry partners.

Dairy Innovation West Project Update

Major Milestones

BUILD COMPLETED

Construction of the Dairy Innovation West (DIW) facility was successfully finished, marking a significant milestone for the project.

COMMISSIONING ACHIEVED

The first milk was received in the summer of 2025, initiating the commissioning process. The facility has since been fully commissioned and is now fully operational.

OPERATIONS LAUNCHED

Full operations officially began transitioning DIW into its next phase of development.

OFFICIAL PLANT OPENING

October 3rd, 2025

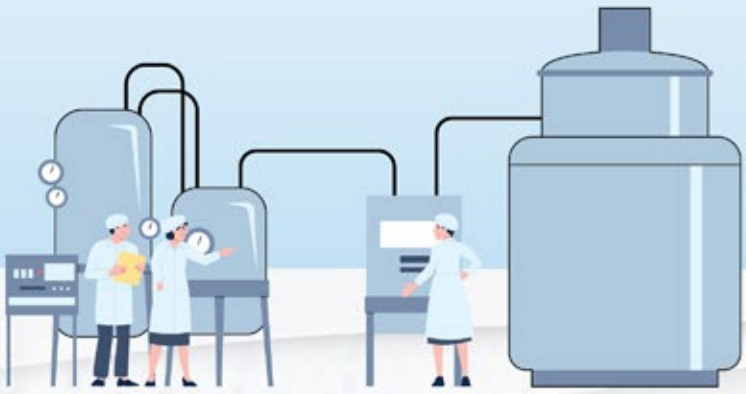
Operational Highlights

DIW is designed to process 300 million litres of raw milk annually, with plans to reach full utilization within two years. Early operations have been extremely positive and the current customer has expressed strong satisfaction with the quality of the product. The facility has already begun sampling with additional large prospective customers.

DIW is intended to achieve up to a 4:1 tanker efficiency ratio (meaning four tankers of raw milk received for every one dispatched), driving significant cost savings and environmental benefits.

DIW has also achieved multiple certifications, including CFIA (Canadian Food Inspection Agency), FSSC (Food Safety System Certification), Halal, and Kosher, underscoring its commitment to the highest quality and safety standards.

This past year marked an exciting milestone as Dairy Innovation West moved from construction to a full-scale, certified operation.



Marketing and Community Engagement

Amidst a backdrop of economic uncertainty and shifting trade priorities, Albertans are more focused than ever on supporting local. In June, Alberta Milk created Farm to Table, a marketing campaign in response to this growing pride in locally produced food, and the people behind it.

The campaign featured Alberta dairy farmer Jason Crozier and Edmonton-based Chef Blair Lebsack (RGE RD). Together, they explored the journey from farm to table, touring Crozier's farm and connecting over their shared commitment to high-quality, locally sourced ingredients. The spot highlighted the pride, care, and community that go into every glass of milk produced in the province.

Watch 'Farm to Table'

The full video, recipes, and related content are on the Alberta Milk website.
albertamilk.com/farm-to-table

GIVING BACK GOES A LONG WAY

This year, Alberta Milk continued to actively engage with communities across the province by supporting organizations dedicated to children's health, youth athletics, and food security, while also contributing to education about dairy through community events. These efforts reflect a strong commitment to giving back while strengthening the reputation of Alberta's dairy farmers.

Our partnership with Alberta Children's Hospital was a highlight for the second year running, including a holiday donation matching campaign supported by an integrated media plan, a spring campaign that included a retail signage component, and a registration match and in-person activation at the RBC Race for the Kids. In total, $180K was contributed to Alberta Children's Hospital for lifesaving equipment and programs.

OTHER COMMUNITY HIGHLIGHTS

- Supported high school students by sponsoring an Athlete of the Month program and two annual $1,000 scholarships through School Sport Alberta.
- Supported YESS (Youth Empowerment and Support Services) via "Shots for Charity," at Edmonton Oil Kings games throughout the season, donating $15,000 to provide dairy products to youth at risk.
- Alberta Milk was a Bronze Clover Sponsor of 4-H Alberta: providing dairy products, workshops and educational programming at youth and family camps.
- Supported the provision of dairy products in school lunches through Brown Bagging for Calgary's Kids, matching donations up to $30,000 during their annual fundraising event.
- To support dairy education in Alberta, we shared 'All about milk' at five large agricultural events, including the Calgary Stampede, where $20,000 was donated to the Calgary Food Bank through the long-standing "Milk & Cookies Shack".
- Partnered with Stollery Children's Hospital through sponsorship and product donations for their Meet the Match campaign, Snowflake Gala, and Superstars Fundraising Party, supporting vital pediatric healthcare initiatives.


LOOK FOR
"PRODUCT OF CANADA"
DAIRY FARMERS OF CANADA
QUALITY MILK
LES PRODUCTEURS LAITIERS DU CANADA
LAIT DE QUALITÉ
BOTH MEAN THAT YOUR DAIRY PRODUCT IS MADE IN CANADA WITH
100% CANADIAN MILK


FOOD SOVEREIGNTY.
Canadian food from Canadian farms.

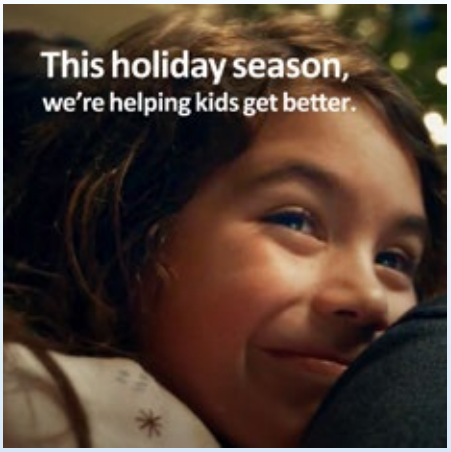

WHEN THEY ASK IF YOU FOLLOW
proAction


DAIRY FARMERS OF CANADA
QUALITY MILK
I'M BEHIND THIS LOGO
HIGH CANADIAN STANDARDS
DEDICATED TO ANIMAL CARE
WORKING TOWARD NET ZERO 2050


SUPPLY MANAGEMENT DELIVERS.
DAIRY FARMERS OF CANADA
dairyfarmersofcanada.ca


WE HAVE UNIQUE ENVIRONMENTAL FARM PLANS
ON A DES PLANS ENVIRONNEMENTAUX DE LA FERME PERSONNALISÉS


Thank you for making this holiday season more special.
To: Santa
From: Mom, Dad & Olivia + George


This holiday season,
we're helping kids get better.

Nutrition

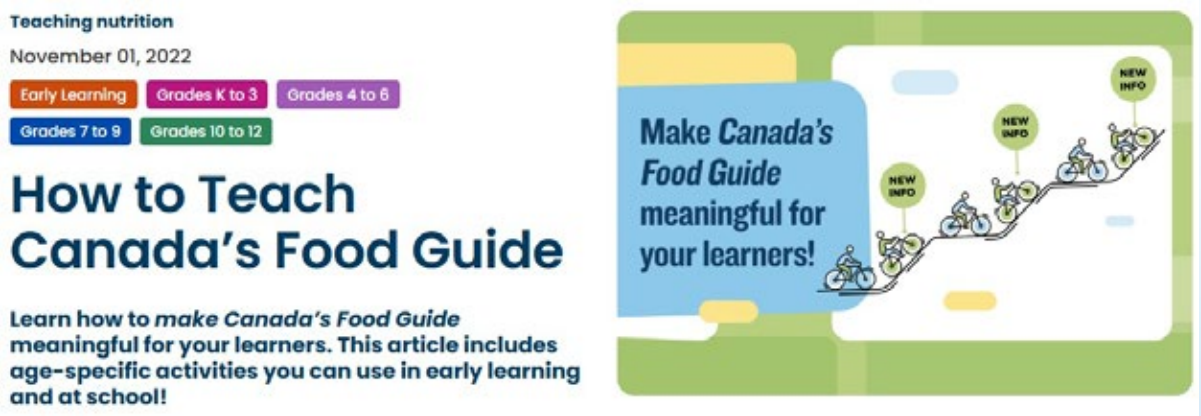
Dairy farmers invest in their communities by providing unique nutrition-based resources to educators and teachers in Alberta. Educators and teachers play a key role in shaping the food environment of children and youth and their relationship with food. By engaging with DFC Teach Nutrition resources, educators are equipped to foster long-term food literacy and eating competence, which builds a person's willingness to try new foods, and increase consumption of whole foods such as vegetables, fruits, and dairy products. Teach Nutrition programming can impact public sentiment about dairy farming, build confidence, and normalize dairy in nutrition education. In 2024–25, teachers and educators in Alberta had the opportunity to engage more than 500,000 children with Teach Nutrition programming.

PROGRAMMING HIGHLIGHTS

Over 10,000 Teach Nutrition articles were read in 2024–25 and the top two performers made up almost half of that:

#1: IS MILK STILL IN CANADA'S FOOD GUIDE

#2: HOW TO TEACH CANADA'S FOOD GUIDE



The Alberta-led Feeding Canada series was reviewed to comply with Bill C-59 legislation. With updated and improved resources and videos, this popular series that highlights dairy farming was relaunched in early 2025 across the Prairies and Maritimes.

Feeding Canada Video Series

Explore the Canadian food system with our educational video series that connects students with Canadian farmers, veterinarians, and researchers for a comprehensive overview of the food cycle.

Each lesson includes these key components:

Video: Engaging, informative content designed to support learning and spark discussion.

Teacher Guide: Features a "before the lesson" checklist, background information, and student activity ideas.

Student Worksheet(s): Provides pre- and post-video reflection questions to foster critical thinking.

Curriculum Connections: Highlights alignment with Alberta curriculum to maximize educational benefits.

Classroom Kitchen is a new series that was developed to support teachers and educators to bring 34 fun recipes that highlight dairy into childcare facilities and schools.

Classroom Kitchen

Looking for fun recipes to make at your school or child care facility?

Try our recipe videos! This series includes a variety of recipes for you to try, many submitted by teachers in Alberta. From simple, assembly-only recipes to more complex recipes using various food skills, there is something for everyone!

Teachers' Conventions are held in the first quarter of the year in Alberta, which provides a great opportunity for our Registered Dietitians (RD) to talk about Teach Nutrition and Canadian dairy farmers' commitment to investing in their communities. RDs attended seven conventions across the province and engaged with over 2,300 teachers.

The three provinces in the Prairies (Alberta, Saskatchewan, and Manitoba) continue working together to combine efforts as a joint nutrition program. This approach has delivered increased efficiencies, cost savings, regional offerings, and more effective reach to our communities.

Dairy Farmers of Canada 2024-2025 Year in Review

Advocacy, Policy, and Trade

Federal Election and Supply Management Legislation

During the 2025 election campaign, DFC encouraged dairy farmers from across Canada to engage with their local candidates, with a particular focus on national food security and defending supply management by ensuring no dairy concessions in upcoming Canada-United States-Mexico Agreement (CUSMA) renegotiations. During the campaign, all major political parties committed to keeping supply management off the table in any negotiations with the U.S.

This commitment was underscored by the passage of Bill C-202, an *Act to Amend the Department of Foreign Affairs, Trade and Development Act (supply management)* in Spring 2025. DFC will continue to advocate with parliamentarians to ensure they live up to these commitments.

Canada-United States-Mexico Agreement Renegotiation

DFC continues to firmly advocate to the federal government that the existing dairy provisions in CUSMA must not be reopened. Any further concessions will compromise the viability of the supply management system; therefore, any additional concessions must be unacceptable to Canada. DFC remains committed to protecting the interests of Canadian dairy farmers and ensuring the sector is not further weakened through additional market access or policy erosion.

U.S. Tariffs and Canada's Countermeasures

Since the imposition of U.S. tariffs, DFC has been monitoring the situation closely, voicing concern over the broader economic consequences for industries and consumers on both sides of the border, and working to ensure that the aftermath of this trade conflict does not prove detrimental to Canadian dairy farmers.

Trade Panels on Dairy Tariff-Rate Quotas

In July 2025, the Government of Canada reached an agreement with New Zealand to resolve the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) dispute on dairy Tariff-Rate Quotas (TRQ). Throughout this dispute process, which started in October 2024, DFC closely monitored the file and kept lines of communication open with the Canadian government.

The resolution involved modest adjustments to TRQ administration, including changes to return dates, chronic return penalties, transparency measures, and the introduction of an underfill mechanism for lower-fill TRQs. Importantly, these changes do not alter Canada's existing market access commitments under the CPTPP.

Interprovincial Trade

Interprovincial trade reform is a high priority at both federal and provincial levels with Parliament passing Bill C-5, the *One Canadian Economy Act* in June 2025. DFC engaged multiple government agencies in a variety of forums in the lead up to consultations related to this bill. Along with the provinces, DFC

will continue to participate in upcoming related consultations. As part of this work, DFC continues to emphasize that supply management is a good example of provincial collaboration. DFC has also noted its support for the exemptions granted for collective marketing (e.g., supply management) under the Canadian Free Trade Agreement – and that government must take care not to make any changes that undermine supply management or create any unintended consequences.

Digital Awareness: Supply Management Delivers

In support of advocacy efforts, DFC launched a digital campaign in Fall 2024 on the benefits of supply management and its connection to the Blue Cow Quality Milk Certification Logo. The campaign targeted politicians and policy-makers based in Ottawa.

Lifetime Capital Gains Exemption

Following sustained advocacy by DFC and other agricultural stakeholders, the government confirmed in March 2025 that the $1.25M Lifetime Capital Gains Exemption limit for small business, farm, and fishing property sales would be maintained.

National School Food Program

As the government develops its National School Food Program, DFC is engaged to ensure the program supports nutritious foods, local farmers, and the local economy. All provinces and territories signed agreements for the program, and the federal government committed to purchasing Canadian food as much as possible.

Access to Veterinary Health Care Tools

With Canadian access to veterinary health care tools at a crisis point, DFC led a coalition of national organizations representing farmers, veterinarians, veterinary product manufacturers, and feed providers in the development of a white paper advocating for consensus solutions to improve access to veterinary drugs, health products, livestock feeds, and biologics in Canada. The white paper has been shared with parliamentarians and federal officials.

Highly Pathogenic Avian Influenza

DFC worked with the Canadian Food Inspection Agency (CFIA) to establish emergency plans and guidelines if Highly Pathogenic Avian Influenza (HPAI) is found in dairy cattle. A national milk testing surveillance plan was established with help from CFIA, the Dairy Processors Association of Canada (DPAC) and DFC. Provincial marketing boards and chief veterinary offices (CVO) also established their own HPAI emergency plans.

Foot and Mouth Disease

After significant advocacy by DFC and other livestock stakeholders, the Government of Canada took a significant step forward in June 2025 by awarding contracts to supply multiple types of vaccine products and develop Canada's first Foot and Mouth Disease vaccine bank.

New Greenwashing Provisions (Bill C-59)

In June 2024, amendments to the *Competition Act* introduced rules on greenwashing and a private right of action against businesses that do not comply. Over the past year, DFC took part in consultations, stressing the use of ISO standards as a best practice for substantiating environmental claims and to safeguard against frivolous claims.

proAction®

Over the past year, the proAction Technical Committees reviewed and revised modules on food safety, biosecurity, environment and animal care, especially in view of the *Code of Practice for the Care and Handling of Dairy Cattle (March 2023)* and the *Feeds Regulations*. This process was informed by on-farm piloting of the updated program requirements and feedback from farmers and other industry partners. On traceability, DFC participated in a second consultation with CFIA on proposed regulations to reiterate its position and encourage the government to complete a final version as soon as possible.

Read more in the 2024 proAction and Sustainability Report.

Sustainability

DFC is committed to sustainability through the Net-Zero Strategy and *Best Management Practices Guide to Mitigate Emissions on Dairy Farms*. Recent DFC activities include:

- Publication of the latest Life Cycle Assessment, which profiles the broad environmental footprint of dairy farming in Canada;
- Testing of an on-farm greenhouse gas (GHG) calculator, at 41 farms across Canada. The pilot project provided participants an individual carbon footprint for their farm, identified areas of high emissions and opportunities to improve efficiency;
- Development of farmer resources on carbon inset and offset markets and initial stages of a sustainability incentive model project to incentivize dairy farmers to implement practices and technologies to measurably reduce greenhouse gas emissions; and
- Continued partnerships with the Cleanfarms recycling initiative, the Tree Canada project, and the Dairy Sustainability Incentive Program with Farm Credit Canada, Lactanet and Starbucks Canada.

Marketing & Business Stakeholder Relations

DFC's award-winning marketing tactics reached 78 million Canadians (through multiple exposures) over the past year and gained global recognition for strengthening awareness, trust, and support for Canadian dairy. DFC's Blue Cow Quality Milk certification logo campaigns specifically targeted two groups: Canadians who love dairy, but have questions about sustainability, and Young Millennials/Gen Z. The Blue Cow Quality Milk logo is now featured on more than 9,000 dairy products. Requests to use the certification doubled compared to the same period last year, driven by consumer preference to buy Canadian amid the global economic and political tensions.

EVERY FARM HAS AN ENVIRONMENTAL FARM PLAN

Launched in July 2024, this campaign informed Canadians that every dairy farm in Canada operates with a unique environmental farm plan rooted in 57 best practices. It reached 14.4 million people and drove Blue Cow Quality Milk certification logo awareness to an all-time high of 90 percent with standout cost effectiveness.

CINEPLEX PARTNERSHIP

Throughout 2024, DFC's Cineplex partnership brought its message to movie theatres promoting "100% Canadian butter on popcorn" in food zones and on outdoor signage. Key messaging was also featured in theatres to solidify brand recognition and link the Blue Cow Quality Milk logo to dairy's high standards.

MARKETING TO MILLENNIALS/GENZ – FARM & SEEK INITIATIVE ON TWITCH

In Summer 2024, DFC launched the "Farm and Seek" initiative on Twitch, a video live-streaming service, which reached over three million people, driving strong brand favourability and exceeding Twitch benchmarks.

SHOWCASING THE STANDARDS BEHIND THE BLUE COW QUALITY MILK CERTIFICATION: proAction®

In Fall 2024, a DFC campaign informed consumers about proAction and its values through the testimonials of real dairy farmers. It reminded Canadians that the rigorous standards behind the Blue Cow Quality Milk Certification logo are real, measurable, and audited. With strong reach (13.8 million Canadians) and top-tier engagement, the campaign helped advance farmer credibility, trustworthiness and relevance with consumers, and stakeholders to protect and promote the interests of dairy farmers.

WHAT'S BEHIND THE BLUE COW LOGO

In February 2025, our successful "What's Behind the Blue Cow Logo" campaign deepened consumer understanding of the work standing behind the certification, including high standards related to sustainability, animal care, and quality. The campaign continued to show strong results, reaching 13.6 million Canadians. Blue Cow Quality Milk Certification logo awareness peaked at 96 percent among those who recalled the campaign.

WORLD MILK DAY

World Milk Day saw Canadians from coast to coast raise a glass to dairy on June 1, 2025. From dairy farmers to industry partners, influencers to elected officials, DFC's campaign reached over 3.5 million users online and drove more than three million video views. The content reinforced DFC's key messages and proudly showcased the Blue Cow Quality Milk Certification logo as a symbol of quality, trust, and Canadian excellence.

National Nutrition

The DFC National Nutrition team educates consumers and health professionals about dairy's role in healthy, sustainable diets through educational programs and partnerships. Here are some highlights from the last year.

- DFC's *Simply Nutritious* campaign reached 9.5 million Canadians with information about the important and essential nutrients present in milk, cheese, and yogurt.
- The National Nutrition team also continued to build its social media reach, with its posts generating 76 million impressions across all platforms.
- Canadian dietitians distributed 30,000 copies of an educational handout designed by DFC for consumers on food labels.
- DFC hosted a webinar – attended by 720 dietitians – on bone health and developed a series of videos for health professionals reinforcing dairy's relevance in balanced dietary patterns.
- 933 students in nutritional science and agriculture participated in DFC-hosted farm tours – with nearly all expressing significant improvement in perceptions post-tour.

Research & Innovation

Over the past year, DFC supported 48 ongoing research projects and worked with 34 research institutions, 160 scientists, and 125 students at the graduate and doctoral levels.

In partnership with Alberta Milk, BC Dairy, Dairy Farmers of Manitoba, Dairy Farmers of Ontario, Novalait, and SaskMilk, DFC launched in April 2024, the first-ever joint call for research proposals for on-farm solutions to help address the economic, environmental, and technological challenges associated with managing milk solids non-fat.
In May 2025, DFC launched a program to engage students and postdoctoral researchers involved in DFC-funded projects with Canada's dairy sector. Through networking, training and knowledge transfer activities, the program builds the future research capacity of the dairy sector and ensures research outcomes reach farmers, advisors, and professionals.
The Canadian Dairy Hub, funded by DFC and delivered by Lactanet, also facilitated important knowledge transfer aimed at accelerating the awareness and adoption of best practices and innovations on Canadian dairy farms. This year's knowledge transfer activities focused on animal welfare as well as transition and reproduction. It included six webinars, 17 workshops, farmer testimonials, and fact sheets. All resources are available online at dairyhub.ca.

To learn more about DFC's activities, download our 2024-2025 Annual Report.

Local Advocacy

In March, comments by the Premier during a Fox News interview drew attention to Alberta's position on trade and market access. The SM5 (a group representing Alberta's five supply-managed commodities: Alberta Chicken, Alberta Hatching Egg Producers, Alberta Milk, Alberta Turkey Producers, and Egg Farmers of Alberta) responded quickly by jointly requesting a meeting with Premier Smith and Minister of Agriculture and Irrigation Sigurdson. That meeting took place on April 16 to provide context and reaffirm the value of supply management. Both the Premier and Minister were engaged and supportive, leading to productive discussions on trade and TRQs.

Since then, we've continued to work closely with the Minister's office and the other Supply Managed Boards to ensure consistent, coordinated messaging. That collaboration proved valuable again in July, when supply management resurfaced publicly following the Premier's participation in the Alberta Next Panel.

Thanks to strong relationships, we were able to share clear, factual information outlining the economic importance of supply-managed commodities to Alberta's GDP and to provide international context. The Premier reviewed the material personally, and we were advised that the data resonated strongly.

Management Discussion and Analysis

In 2024, the Alberta Milk Board developed a new two-year strategic plan, in alignment with its WMP partners. The General Manager is responsible for operationalizing and delivering on each of the key results areas. The board is kept apprised of this progress through regular updates and key performance indicator reporting. The board established four Key Result Areas as part of the 2024–26 strategic plan, with the following associated key performance indicators and targets:

1. Producer Engagement

a. Producer Satisfaction: 75 percent of respondents to an online survey are satisfied with the services provided by Alberta Milk.

   i. Discussion: A survey was circulated to all producers over the summer of 2025. Approximately one third of producers completed the survey, and over 60 percent of participants indicated they were satisfied or very satisfied with the service they received from Alberta Milk. Producers shared ideas for how to improve their satisfaction, and Alberta Milk noted many of them for further action.

b. Producer Compliance: The proportion of milk produced that falls outside of set production limits is reduced by 25 percent.

   i. Discussion: The board received a report from staff regarding the proportion of milk produced that falls outside of set production limits. One of the board's most important jobs is to manage the production of milk. A few years ago, Alberta Milk implemented an overproduction penalty, and some producers felt that 'underproducers' should be penalized, too. The report showed that very few producers were chronically losing credits (only 0.34 percent of total production volume in 2024) and this trend is expected to decrease. As a result, the board decided not to introduce new policies to address underproduction and continue to monitor the data closely.

c. Producer Compliance: Implement an improved milk quality bonus program in alignment with WMP partners.

   i. Discussion: The board amended the target to commit to reaching consensus on an approach to an improved milk quality bonus program in alignment with WMP partners by July 31, 2026. This change reflects the time needed to reach consensus given the different perspectives, structures, and steps needed to effect a harmonized change across the West.

d. Producer Awareness: Develop a producer engagement strategy, with a focus on youth engagement.

   i. Discussion: The board approved a Producer Engagement Strategy that aims to improve communication with producers, with a special focus on producers who are under 40 years of age. The strategy included a new 'Young Producer' portion of the annual general meeting (planned for November 2025) and increased investment to local 4H Dairy Clubs in Alberta.

2. Collaboration

a. Support from Marketing Council: The P10 Agreement is signed by all Alberta Signatories.

   i. Discussion: The process to update the P10 Agreement is led by the Canadian Dairy Commission and Alberta Milk continues to support the process. The timeline for approving the agreement has been delayed and is now anticipated for 2026.

b. Support from Marketing Council: Memoranda of Understanding and Cost-Sharing Agreement(s) to support Western Milk Pool collaboration are signed by Alberta Milk.

   i. Discussion: A Cost-Sharing Agreement has been signed by Alberta Milk that describes what costs are being shared as a Western Milk Pool, with discussions on a longer-term agreement to begin in the coming months as our collective strategic priorities are finalized. Instead of a Memorandum of Understanding, the Board has signed off on the Advisory Committee Terms of Reference and will formalize updates to the Terms of Reference for the Coordinating Committee and Members' Committee over the next few months.

c. Transportation Efficiencies: Alberta Milk develops a plan to implement the Transportation Study recommendations.

   i. Alberta Milk continues to work closely with its WMP partners to explore ways to make the transportation system more efficient, and have already implemented several of the recommendations stemming from the Transportation Study, including changes to the Transportation Rate Formula.

3. Provincial Leadership

a. Leadership Pipeline: Building on the skills matrix, develop a delegate and board training plan.

   i. Discussion: The skills matrix was implemented in 2023–24 and is used in three ways: to guide training and development opportunities for delegates and board members, to support succession efforts for board membership and ensure a balance of skills, and to inform recruitment of new delegates each year. To support training and development for delegates, a delegate and board training plan was developed and approved by the board. This plan was implemented in the spring of 2025, and builds the skills needed to be effective delegates and board members.

4. Processing and Processor Relationships

a. Improved Processing Capacity: Develop a strategy to support small and medium-sized processors in Alberta.

   i. Discussion: Staff presented a strategy that explored different opportunities for Alberta Milk to support small and medium-sized processors in Alberta to be successful. The board supported staff to continue making expertise available to processors to help them grow and expand their business.

b. Improved Processing Capacity: Approve five milk allocation requests (new or expansions).

   i. Discussion: At the end of 2024–25, Alberta Milk had approved two new milk allocations for producer-processors. The tactics in the Small and Medium-Sized Processor Strategy should support Alberta Milk in achieving this target by the end of the 2026 dairy year.

Looking Forward

Alberta Milk continues to work collaboratively with our Western Milk Pool partners to find efficiencies and increase value for our producers, including harmonizing policies, sharing resources, and working together on key files. Collaboration at the interprovincial and national level is crucial as industry issues increasingly impact all dairy producers, regardless of where they farm. Alberta Milk will also continue to build strong relationships with the dairy processing industry and work together on issues and opportunities of shared interest.

Financial Reporting

Alberta Milk's management team is responsible for the financial statements and all information in this annual report. These statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These statements have been audited using Canadian generally accepted auditing standards. The schedule of revenues and expenses by core function, which provides reporting of the statement of operations in accordance with our strategic plan and budget, is considered unaudited as our financial statement auditors were not engaged to conduct an audit of the budget figures, or the expenses classified by Alberta Milk's core functions. Financial information presented elsewhere in this report is consistent with the statements provided.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls and practices ensure the orderly conduct of business, the accuracy of accounting records, the timely preparation of reliable financial information, and the adherence to board policies and statutory requirements.

Accountability systems are adopted and approved as a key component of Alberta Milk's strategic plan and governing policies. The board receives regular reporting on progress made toward the organization's goals as outlined in the strategic plan, including a key performance indicator dashboard provided at board meetings. The dashboard provides quantitative and qualitative reporting that describes how operational work is delivering strategic outcomes.

The Audit and Risk Committee oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting. In support of this responsibility, the committee reviews quarterly financial statements, and is responsible for overseeing the annual financial statement audit and the development of the budget, prior to the presentation of these items to the board. Alberta Milk's financial statement auditors have free access to the Audit and Risk Committee to discuss the results of their work and to express their concerns and opinions. The following discussion and analysis of the operating results and financial position of Alberta Milk, for the year ended July 31, 2025, should be read in conjunction with the financial statements.

Annual milk volumes were four percent higher than those projected when the budget was created, resulting in slightly increased assessment revenues, producer payment pool revenue, and producer payment pool expenses compared to budgeted amounts. Total transportation pool revenue and transportation pool expenses were very close to their budgeted amounts for the year. Please refer to the notes in the financial statements where further details regarding the producer payment pool and the transportation pool are provided. Quota exchange sales and quota exchange purchases both exceeded their budgeted amounts by $8,682,916. The overall excess of revenues over expenses for the year was $2,360,698 higher than budgeted, resulting primarily from higher than budgeted investment income, increased production volumes leading to higher assessment revenues, and less Western Milk Pool initiatives and information technology project spending compared to what had been budgeted.

On the statement of financial position, the company subject to significant influence as well as long-term debt both increased during the year as Alberta Milk purchased shares of DIW Buildings & Land Corporation primarily through debt financing. Please refer to the notes to the financial statements where further details regarding these balances are provided.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Independent Auditor's Report

To the Members of Alberta Milk

Opinion

We have audited the financial statements of Alberta Milk ("the Board"), which comprise the statement of financial position as at July 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Milk as at July 31, 2025, 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 report. We are independent of the Board 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises:

- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Doane Grant Thornton

Those charged with governance are responsible for overseeing the Board's financial reporting process.

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 auditor's 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 these 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 Board'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 Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Board 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.

We 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.

Doane Grant Thornton LLP

Edmonton, Canada
October 15, 2025

Chartered Professional Accountants

Alberta Milk

Statement of Operations

For the Year Ended July 31, 2025

	MNE	Quota Exchange	Research	Scholarship	Other	**2024-25 Total**	2023-24 Total
Revenues:							
Administrative Assessment (Note 5)	$ -	$ -	$ -	$ -	$ 6,953,892	**$ 6,953,892**	$ 6,620,793
Grant Revenue (Note 9)	74,612	-	-	-	24,388	**99,000**	28,872
Investment Income (Note 7)	-	-	-	11,081	1,478,875	**1,489,956**	1,784,095
Marketing and Nutrition Education (MNE) Assessment (Note 5)	13,203,606	-	-	-	-	**13,203,606**	12,571,141
Other Income	606,510	-	-	-	1,412,209	**2,018,719**	1,682,261
Producer Payment Pool Revenue (Note 10)	-	-	-	-	919,005,530	**919,005,530**	864,679,286
Quota Exchange Sales (Note 4)	-	88,682,916	-	-	-	**88,682,916**	86,209,586
Quota Lease	-	-	112,111	-	-	**112,111**	576,427
Research Assessment (Note 5)	-	-	440,121	-	-	**440,121**	419,039
Transportation Pool Revenue (Notes 5 and 10)	-	-	-	-	58,632,786	**58,632,786**	54,190,397
Total Revenues	13,884,729	88,682,916	552,232	11,081	987,507,679	**1,090,638,637**	1,028,761,896
Expenses:							
Advertising	12,676,537	-	-	-	-	**12,676,537**	11,646,261
Depreciation and Write-Offs	5,336	-	-	-	314,487	**319,823**	402,923
Director and Delegate Per Diems	-	-	-	-	295,020	**295,020**	359,670
Grants	-	-	500,384	-	-	**500,384**	915,329
Hauling Fees	-	-	-	-	57,963,909	**57,963,909**	53,893,447
Information Technology	-	-	-	-	1,229,696	**1,229,696**	1,002,695
Meeting Costs	-	-	-	-	395,479	**395,479**	478,052
Office	78,192	-	-	-	1,404,913	**1,483,105**	1,182,259
Producer Payment Pool Expenses (Note 10)	-	-	-	-	919,005,530	**919,005,530**	864,679,286
Professional Fees	-	-	-	-	467,531	**467,531**	532,574
Quota Exchange Purchases (Note 4)	-	88,682,916	-	-	-	**88,682,916**	86,209,586
Salaries and Contract Services	323,822	-	-	-	3,870,859	**4,194,680**	5,181,354
Sponsorships	334,970	-	-	2,000	39,986	**376,957**	364,701
Travel	5,334	-	-	-	372,389	**377,723**	489,301
Total Expenses	13,424,191	88,682,916	500,384	2,000	985,359,800	**1,087,969,291**	1,027,337,437
Excess of Revenues over Expenses	$ 460,538	$ -	$ 51,848	$ 9,081	$ 2,147,879	**$ 2,669,346**	$ 1,424,459

See accompanying notes and schedules to the financial statements.

Alberta Milk

Statement of Financial Position

As at July 31, 2025

	July 31, 2025	July 31, 2024
Assets		
Current Assets:		
Cash	**$ 25,391,955**	$ 25,061,272
Investments (Note 6)	**3,272,670**	3,001,622
Due from Processors, Producers, and Others	**40,501,946**	38,099,192
Accounts Receivable (Note 12)	**1,389,610**	1,743,050
Prepaid Expenses and Deposits	**251,863**	88,397
Total Current Assets	**70,808,043**	67,993,533
Company Subject to Significant Influence (Note 14)	**13,979,269**	10,203,814
Capital Assets (Note 8)	**3,183,815**	3,488,852
Total	**$ 87,971,126**	$ 81,686,199
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	**$ 7,481,507**	$ 9,423,905
Producer Payment Pool and Transportation Pool Liabilities (Note 10)	**51,295,113**	47,171,149
Deferred Grants (Note 9)	**49,672**	122,651
Current Portion of Long-Term Debt (Note 11)	**527,506**	44,279
Total Current Liabilities	**59,353,797**	56,761,983
Long-Term Debt (Note 11)	**11,149,712**	9,309,944
Net Assets:		
Internally Restricted:		
Marketing and Nutrition Education (MNE)	**7,527,034**	7,066,496
Quota Exchange (Note 4)	**1,064,084**	1,064,084
Research	**552,838**	500,990
Scholarship	**151,661**	142,580
Invested in Capital Assets	**3,183,815**	3,488,852
Unrestricted	**4,988,185**	3,351,269
Total Net Assets	**17,467,617**	15,614,271
Total	**$ 87,971,126**	$ 81,686,199

Commitments (Note 13)

Approved on Behalf of the Board:

Stuart Boeve

Jason Rietveld

Alberta Milk
Statement of Changes in Net Assets
For the Year Ended July 31, 2025

	Internally Restricted							
	MNE	Quota Exchange	Research	Scholarship	Invested in Capital Assets	Unrestricted	**2024-25 Total**	2023-24 Total
Net Assets at Beginning of the Year	$ 7,066,496	$ 1,064,084	$ 500,990	$ 142,580	$ 3,488,852	$ 3,351,269	**$ 15,614,271**	$ 13,478,813
Changes in Net Assets During the Year:								
Excess of Revenues over Expenses	460,538	-	51,848	9,081	-	2,147,879	**2,669,346**	1,424,459
Purchases of Capital Assets	-	-	-	-	14,786	(14,786)	**-**	-
Depreciation of Capital Assets	-	-	-	-	(319,823)	319,823	**-**	-
Pension Remeasurements and Other Items (Note 12)	-	-	-	-	-	(816,000)	**(816,000)**	711,000
Total Changes in Net Assets During the Year	460,538	-	51,848	9,081	(305,037)	1,636,916	**1,853,346**	2,135,459
Net Assets at End of the Year	$ 7,527,034	$ 1,064,084	$ 552,838	$ 151,661	$ 3,183,815	$ 4,988,185	**$ 17,467,617**	$ 15,614,271

See accompanying notes and schedules to the financial statements.

Alberta Milk

Statement of Cash Flows

For the Year Ended July 31, 2025

	2024-25	2023-24
Cash at Beginning of the Year	**$ 25,061,272**	$ 19,209,811
Cash Provided by (Used for) Operating Activities:		
Excess of Revenues over Expenses for the Year	**2,669,346**	1,424,459
Items Not Affecting Cash Flow:		
Depreciation and Losses on Capital Asset Disposals	**319,823**	402,923
Pension Remeasurements and Other Items (Note 12)	**(816,000)**	711,000
Net Increase in Cash and Cash Equivalents and Investments from Changes in Fair Value and Foreign Exchange Rates (Note 7)	**(162,273)**	(179,110)
Investment Income and Receivables Reinvested Directly	**(81,099)**	(65,968)
(Income) Loss from Company Subject to Significant Influence (Note 14)	**(177)**	298,720
Changes in Non-Cash Working Capital Items:		
Due from Processors, Producers and Others	**(2,402,754)**	(822,133)
Accounts Receivable	**353,440**	(723,196)
Grants Receivable (Note 9)	**-**	23,264
Prepaid Expenses and Deposits	**(163,466)**	205,576
Accounts Payable and Accrued Liabilities	**(1,942,398)**	5,248,932
Producer Payment Pool and Transportation Pool Liabilities (Note 10)	**4,123,964**	700,575
Deferred Grants (Note 9)	**(72,979)**	122,651
Net Cash from Operating Activities	**1,825,427**	7,347,693
Cash Provided by (Used for) Financing Activities:		
Long-Term Debt Acquired (Note 11)	**2,367,274**	8,720,727
Long-Term Debt Repaid (Note 11)	**(44,279)**	(43,095)
Net Cash from Financing Activities	**2,322,995**	8,677,632
Cash Provided by (Used for) Investing Activities:		
Purchases of Capital Assets	**(14,786)**	(13,303)
Purchases of Investments	**(330,436)**	(1,473,899)
Purchases of Shares of Company Subject to Significant Influence (Note 14)	**(3,775,278)**	(10,128,732)
Proceeds from Sales and Redemptions of Investments	**287,969**	1,424,179
Net Cash to Investing Activities	**(3,832,531)**	(10,191,755)
Effects of Foreign Exchange Rate Changes	**14,792**	17,891
Cash at End of the Year	**$ 25,391,955**	**$ 25,061,272**

See accompanying notes and schedule to the financial statements.

Alberta Milk
Notes to the Financial Statements
For the Year Ended July 31, 2025

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1. Authority and Purpose of the Board:

Alberta Milk ("the Board") is a non-profit organization established on August 1, 2002 through the approval of the Alberta Milk Plan Regulation under the authority of the Marketing of Agricultural Products Act of Alberta. The Board is subject to supervision by the Alberta Agricultural Marketing Council, which is appointed by the Government of Alberta, for supervisory and enforcement purposes in respect of Alberta producer boards and marketing commissions. Pursuant to Section 149(1)(e) of the Income Tax Act the Board is exempt from income tax. The Board's purpose is to promote the viability and sustainability of the Alberta dairy industry through programs, policies and services.

2. Significant Accounting Policies:

Basis of Presentation
The Board has prepared these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (“ASNPO”).

Revenue Recognition
The Board follows the deferral method of accounting for contributions, whereby externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Amounts collected from processors in the operation of the producer payment pool are externally restricted contributions and these amounts are recognized as producer payment pool revenue when producer payment pool expenses are incurred. Grant proceeds received are externally restricted contributions and these amounts are recognized as grant revenue when the related expenses are incurred. Assessment revenue, other income, quota exchange sales, quota lease revenue, and transportation pool revenue are recognized as revenue when performance is achieved, consideration is measurable, and ultimate collection is reasonably assured. Investment income is recognized as revenue when earned.

Capital Assets
Capital assets are recorded at cost less accumulated amortization. Amortization is provided using the declining balance method over the estimated useful life of the assets at the following annual rates:

Building	5%
Computer hardware	30%
Computer software	30%
Consumer displays	30%
Office furniture and equipment	20%

When a capital asset no longer has any long-term service potential to the Board, the excess of its carrying amount over any residual value is recognized as an expense in the statement of operations.

Cloud Computing Arrangements
The Board has entered into a cloud computing arrangement for the on-demand delivery of computing services over the internet. When there are multiple elements within a single cloud computing arrangement, the Board allocates the consideration to each separable element based on the relative stand-alone selling prices.

Tangible elements such as hardware are accounted for in accordance with the Board’s policy for property, plant, and equipment. Software elements and other elements that meet the definition of an intangible asset are accounted for

in accordance with the Board's intangible asset policy. In evaluating whether the Board controls a software element, the Board assesses if it has the contractual right to obtain the software without significant penalty and if it is feasible for the Board to run the software on its own or a third party's infrastructure.

Software elements that do not meet the definition of an intangible asset are accounted for as software as a service and expensed as the services are received.

The Board accounts for implementation costs in connection with the software in the cloud-computing arrangement as follows:

- Expenditures that are directly attributable to preparing a software intangible asset for its intended use are capitalized as part of the cost of the asset.
- Expenditures that give rise to a separate intangible asset are capitalized as an intangible asset
- The Board has chosen to expense expenditures that are directly attributable to preparing any software service for its intended use.
- All other implementation expenditures are expensed as incurred.

Employee Future Benefits

For the Board's defined benefit pension plan, the benefit obligation is determined using the most recent actuarial valuation report prepared for funding purposes, and plan assets are measured at fair value. The Board recognizes the plan's defined benefit asset on the statement of financial position. The defined benefit asset consists of the funded status, which is the net amount of the benefit obligation and the plan assets, adjusted as required for any portion of the funded status that is not expected to be recoverable. The defined benefit cost is recognized in the statement of operations. Remeasurements and other items are recognized directly in the statement of changes in net assets.

Effective January 1, 2025, the Board offers a multiemployer jointly-sponsored defined benefit pension plan through the Colleges of Applied Arts and Technology Pension Plan ("the CAAT Plan") to all full-time employees and any part-time employees who opt to participate. Due to the nature of the plan, the Board does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multiemployer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period when the Board is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in accounts payable and accrued liabilities.

Financial Instruments

Initial measurement

The Board's financial instruments are measured at fair value when issued or acquired except for certain non-arm's length transactions, if any, which are measured at cost or fair value depending on the nature of the transaction. For financial instruments subsequently measured at amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recorded in the statement of operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Board measures its financial assets and liabilities obtained in arm's length transactions at amortized cost, except for equities quoted in an active market, which must be measured at fair value. The Board has irrevocably elected to measure its investments in bonds and mutual funds at fair value. All changes in fair value

of the Board's investments in equities quoted in an active market, bonds, and mutual funds are recorded in the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, guaranteed investment certificates, due from processors, producers and others, accounts receivable, accounts payable, and long-term debt. For financial assets measured at amortized cost, the Board regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Board determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the statement of operations in the year the reversal occurs.

Related party financial instruments
Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. Subsequent measurement is based on how the Board initially measured the instrument. The Board does not have any financial assets or financial liabilities in related party transactions measured at fair value.

Use of Estimates and Measurement Uncertainty
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses for the reported period. Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates. Items subject to significant management estimates include valuation of allowances for uncollectible receivables, amortization basis of capital assets, fair value of investments, recoverability of company subject to significant influence, valuation of employee future benefits, and valuation of contingencies.

Impairment of Long-Lived Assets
Assets are reviewed for impairment when events or circumstances indicate that their carrying value exceeds the sum of the undiscounted cash flows expected from their use and eventual disposal. An impairment loss is measured as the amount by which the assets' carrying value exceeds the fair value. Accordingly, the Board reviews assets for indicators of impairment annually.

Significantly Influenced Profit-Oriented Enterprises
The Board accounts for significantly influenced profit-oriented enterprises using the equity method. The equity method is a basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the investor's pro-rata share of post-acquisition earnings of the investee, computed by the consolidation method. Profit distributions, including dividends, received or receivable from an investee reduce the carrying value of the investment.

Significantly Influenced Not-For-Profit Organizations
The Board discloses relationships with significantly influenced not-for-profit organizations and discloses relevant information about such organizations.

3. Internally Restricted Net Assets:

The research and marketing and nutrition education (MNE) producer assessment rates per hectolitre are authorized by the Alberta Milk Marketing Regulation and as such, any associated net assets have been set aside by the Board as internally restricted net assets to be used to fund future research and marketing and nutrition education (MNE) activities. The Board has set aside internally restricted net assets for the operation of the quota exchange. These net assets result from cash surpluses generated from the operation of the quota exchange and are to be used to manage any potential risk associated with a producer nonpayment for quota purchases. The internally restricted scholarship net assets are to be used to provide future scholarships to post secondary students in support of the dairy industry.

4. Quota Exchange:

The Board operates a quota exchange each month. Producers submit bids to purchase quota or offers to sell quota. The exchange is cleared each month at the market clearing price, which is the average between the last successful buyer's price and the last successful seller's price. Quota exchange sales and quota exchange purchases are recognized on the gross basis as the Board both facilitates the sale of quota between producers and buys quota on its own account.

5. Producer Assessment and Hauling Charge Rates:

Producer assessment and hauling charge rates in effect during the year included the following:

	2025	2024
Administrative assessment	**$0.79/hl**	$0.79/hl
Marketing and Nutrition Education (MNE) assessment	**$1.50/hl**	$1.50/hl
Research assessment	**$0.05/hl**	$0.05/hl
Hauling – volume charge	**$4.20/hl**	$4.12/hl
Hauling – yard charge (per pickup)	**$29.68**	$29.10

6. Investments:

		2025		2024
Fixed income	**$**	**331,498**	$	366,971
Equities		**1,562,207**		1,323,834
Mutual funds		**1,339,573**		1,237,883
Other		**39,392**		72,934
	$	**3,272,670**	$	3,001,622

7. Investment Income:

		2025		2024
Interest and dividend income	**$**	**1,352,535**	$	1,627,871
Net increase in cash and cash equivalents and investments from changes in fair value and foreign exchange rates		**162,273**		179,110
Investment management fees		**(24,852)**		(22,886)
	$	**1,489,956**	$	1,784,095

8. Capital Assets:

	Cost	Accumulated Amortization	**2025 Net Book Value**	2024 Net Book Value
Building	$ 4,112,367	$ 1,790,656	**$ 2,321,712**	$ 2,443,906
Computer hardware	938,412	835,939	**102,473**	131,604
Computer software	3,028,260	2,704,167	**324,092**	462,990
Consumer displays	385,365	372,915	**12,450**	17,786
Land	385,175	-	**385,175**	385,175
Office furniture and equipment	445,363	407,450	**37,913**	47,391
	$ 9,294,942	$ 6,111,127	**$ 3,183,815**	$ 3,488,852

9. Grants:

Deferred grants represent grant funding that has not yet been earned according to grant agreements but has already been received. Grants receivable represent grant funding that has been earned according to grant agreements but has not yet been received. Deferred grants and grants receivable have changed as follows:

	2025	2024
Deferred grants (Grants receivable) at beginning of year	**$ 122,651**	$ (23,264)
Grant revenue earned	**(99,000)**	(28,872)
Grant funds received	**26,021**	174,787
Deferred grants at end of year	**$ 49,672**	$ 122,651

10. Producer Payment Pool and Transportation Pool:

Producer payment pool and transportation pool liabilities include the following:

	2025	2024
Producer payment pool accounts payable	**$ 39,539,082**	$ 38,485,183
Transportation pool accounts payable	**4,900,859**	4,505,386
Producer payment pool balance	**7,022,547**	4,505,079
Transportation pool deficit	**(167,374)**	(324,499)
	$ 51,295,113	$ 47,171,149

Producer payment pool accounts payable are amounts owed with respect to expenses incurred in the producer payment pool. Transportation pool accounts payable are amounts owed with respect to expenses incurred in the transportation pool. The producer payment pool balance represents the balance of amounts collected from processors that have not yet been used for producer payment pool expenses.

The transportation pool deficit represents the portion of transportation pool expenses less recoveries that has not yet been collected from producers.

The producer payment pool is operated pursuant to Section 29 of the Alberta Milk Marketing Regulation, which provides that all revenues generated from the processing and sale of milk within Alberta are shared by all Alberta producers in accordance with their quota holdings. Effective March 1, 1997, four provinces (Alberta, British Columbia, Saskatchewan, and Manitoba) and the Canadian Dairy Commission ("CDC") entered into the Western Milk Pooling Agreement. The purpose of the agreement was to extend the pooling arrangements within each of the provinces so that all milk revenue is pooled among producers in all four provinces, as if the western provinces constituted a single market. Based on each province's monthly sales, the CDC either distributed funds from or required a contribution to the Western Milk Pool. Effective June 1, 2020, the Western Milk Pool entered into a P10 revenue sharing agreement with Newfoundland and Labrador and the P5 pool (consisting of the provinces of New Brunswick, Nova Scotia, Prince Edward Island, Quebec and Ontario). The purpose of this agreement was to extend the pooling arrangements within each pool so that all milk revenue is pooled among the ten provinces, as if the ten provinces constituted a single market. Based on each pool's monthly sales, the CDC either distributed funds to or required a contribution from the Western Milk Pool.

The producer payment pool balance has changed as follows:

		2025		2024
Producer payment pool balance at beginning of year	**$**	**4,505,079**	$	5,480,545
Amounts collected from processors		**921,522,998**		863,703,820
Producer payment pool expenses		**(919,005,530)**		(864,679,286)
Producer payment pool balance at end of the year	**$**	**7,022,547**	$	4,505,079

The transportation pool deficit has changed as follows:

		2025		2024
Transportation pool deficit at beginning of year	**$**	**(324,499)**	$	(2,140,229)
Transportation fees collected from producers		**44,969,485**		43,692,700
Transportation pool recoveries		**13,820,426**		12,313,427
Transportation pool expenses		**(58,632,786)**		(54,190,397)
Transportation pool deficit at end of year	**$**	**(167,374)**	$	(324,499)

Total transportation pool expenses net of recoveries per hectolitre were $5.09 (2024 - $5.00).

11. Long-Term Debt:

	2025	2024
Mortgage payable – the current loan term ends October 2026 and includes a fixed interest rate of 2.713% and monthly blended payments based on a loan amortization period ending October 2036.	**$ 589,218**	$ 633,496
Loan payable – the current loan term ends August 2028 and includes a variable interest rate of the lender's variable mortgage rate minus 1.35% (4.60% as at July 31, 2025), monthly interest-only payments until August 2025, and monthly blended payments beginning in September 2025 based on a loan amortization period ending August 2040. After five years of blended payments, the loan amortization period will be adjusted to end August 2035.	**11,088,000**	8,720,727
Less amounts due within one year	**(527,506)**	(44,279)
Total long-term debt	**$ 11,149,712**	$ 9,309,944

Security for the mortgage payable includes the land and building with a combined net carrying amount of $2,706,886, as well as a general security agreement. Security for the loan payable includes a mortgage registered against land held by DIW Buildings & Land Corporation ("DBLC"), guarantees provided by DBLC and Dairy Innovation West Inc. ("DIW"), general security agreements with the Board, DBLC, and DIW, and a $792,000 letter of credit. The Board used the proceeds of the loan payable to support construction of the dairy concentration plant owned by DBLC by purchasing common shares of DBLC. The Board exercises significant influence over DIW and DBLC, refer to Note 14 for further information.

Assuming renewal at similar terms, principal repayments due in each of the next five years are estimated as follows:

2026	$ 527,506
2027	596,639
2028	620,527
2029	650,889
2030	677,064
Thereafter	8,604,593
Total	$ 11,677,218

12. Pensions:

Effective January 1, 2007 the Alberta Milk Employees' Pension Plan ("the Plan") was established on behalf of employees of the Board. Prior to January 1, 2007 certain members had accumulated retirement benefits under the Western Canadian Dairy Herd Improvement Services Association Employees Pension Plan ("the Predecessor Plan"). As of January 1, 2007 the Predecessor Plan benefits for such members, and the liability thereof, have been transferred to the Plan and shall be paid in accordance with the terms of the Plan. The Plan is a defined benefit plan and specifies the amount of the retirement benefit to be received based on the length of service and final average earnings. The most recent funding recommendation for the Plan was completed as at December 31, 2024 and has been updated

for current assumptions in the accounting disclosure report dated August 26, 2025. The defined benefit asset is included in accounts receivable on the statement of financial position.

	2025	2024
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 3,344,000**	$ 5,547,000
Employer service cost	**98,000**	214,000
Employee contribution	**68,000**	150,000
Interest cost	**153,000**	230,000
Plan amendments	**(772,000)**	(451,873)
Benefits paid	**(141,000)**	-
Annuity purchase	**-**	(2,032,127)
Settlement gain	**-**	(313,000)
Benefit obligation at end of year	**$ 2,750,000**	$ 3,344,000
Change in plan assets		
Fair value of plan assets at beginning of year	**$ 4,681,000**	$ 6,202,000
Interest cost	**211,000**	260,000
Actual return on plan assets less interest cost	**227,000**	398,000
Company contribution	**70,000**	155,000
Employee contribution	**68,000**	150,000
Benefits paid	**(141,000)**	(451,873)
Annuity purchase	**-**	(2,032,127)
Fair value of plan assets at end of year	**$ 5,116,000**	$ 4,681,000
Reconciliation of funded status		
Benefit obligation	**$ (2,750,000)**	$ (3,344,000)
Plan assets	**5,116,000**	4,681,000
Funded status	**2,366,000**	1,337,000
Valuation allowance	**(1,815,000)**	-
Defined benefit asset	**$ 551,000**	$ 1,337,000
Defined benefit cost		
Employer service cost	**$ 98,000**	$ 214,000
Interest cost on benefit obligation	**153,000**	230,000
Interest cost on plan assets	**(211,000)**	(260,000)
Defined benefit cost	**$ 40,000**	$ 184,000
Remeasurements and other items		
Actual return on plan assets less interest cost	**$ (227,000)**	$ (398,000)
Plan amendment	**(772,000)**	-
Valuation allowance	**1,815,000**	-
Settlement gain	**-**	(313,000)
Total remeasurements and other items	**$ 816,000**	$ (711,000)

Actuarial assumptions		
Annual discount rate	**4.50%**	4.50%
Annual rate of return on assets	**4.50%**	4.50%
Annual rate of salary increase	**n/a**	3.75%
Annual inflation rate	**2.00%**	2.25%
Termination table	**Nil**	Nil

The mortality table used was CPM2014Priv with projection scale MI-2017 as at July 31, 2025 (2024 - CPM2014Priv with projection scale MI-2017 as at July 31, 2024). The retirement rate used was 100% at age 62 (2024 - 100% at age 62).

Distribution of the total market value of the plan assets by major asset category:

	2025	2024
Equities	**62.0%**	60.0%
Fixed income	**38.0%**	40.0%
Total	**100.0%**	100.0%

Effective January 1, 2025, the Board signed a Memorandum of Agreement to join the CAAT Plan. As a result of this agreement, the Plan was frozen and all future service accruals ceased for all participants. All members will participate in the CAAT Plan in respect of future pension service accruals on and after January 1, 2025. Subsequent to year end, the CAAT Plan assumed all of the assets and liabilities associated with the Plan.

The CAAT Plan is accounted for as a defined contribution plan because the Board lacks sufficient information to account for the plan as a defined benefit plan. The CAAT Plan is for eligible employees of public colleges in Ontario and other employers. Both the Board and employees make contributions to the CAAT Plan. Contributions are set based on predetermined rates and the CAAT Plan deficit (if it occurs) has no effect on the contribution rates.

The Board does not recognize any share of the CAAT Plan's pension surplus or deficit. The most recent actuarial valuation filed with pension regulators as at January 1, 2025 indicated an actuarial surplus of $6,141,000,000 (January 1, 2024 - $5,263,000,000). During the year, the Board made contributions to the CAAT Plan of $130,619 which has been included in salaries and contract services in the statement of operations.

13. Commitments:

The Board rents office equipment under long-term operating leases. Future minimum annual lease payments are as follows:

2025-26	$	9,424
2026-27		6,440
2027-28		4,308
2028-29		4,308
2029-30		3,231
Total	$	27,711

The Board has a budgeted commitment of $8,081,410 to Dairy Farmers of Canada for the upcoming year.

14. Significantly Influenced Organizations:

The Board exercises significant influence over Dairy Innovation West Inc. (“DIW”). DIW was incorporated on April 30, 2020, and its members are the Board, Dairy Industry Development Council, Saskatchewan Milk Marketing Board and Dairy Farmers of Manitoba. As a member of DIW, the Board is entitled to name a nominee for appointment to DIW's Board of Directors, and the Board's support is required in the process of electing the Chair of DIW's Board of Directors. DIW's purpose is to promote and facilitate the efficient transportation of milk and milk components by producers to the processors in western Canada. The Board holds economic interest in DIW as the Board benefits from DIW achieving its stated purpose. DIW is incorporated under the Canada Not-for-profit Corporations Act, extra-provincially registered in Alberta, and exempt from income tax.

The Board exercises significant influence over DIW Buildings & Land Corporation (“DBLC”). DBLC was incorporated on August 22, 2022, and its shareholders are the Board, Dairy Industry Development Council, Saskatchewan Milk Marketing Board and Dairy Farmers of Manitoba. The Board’s shareholdings are based on provincial quota shares of the Western Milk Pool provinces, with Alberta Milk’s relative percentage being 35.19%. As a shareholder of DBLC, the Board is entitled to name a nominee for appointment to DBLC's Board of Directors, and the Board's support is required in the process of electing the Chair of DBLC's Board of Directors. DBLC's purpose is to hold and maintain capital assets necessary for the operation of a dairy concentration plant, which when constructed, will be leased to DIW. DBLC is incorporated under the Canada Business Corporations Act and extra-provincially registered in Alberta. The Board accounts for DBLC using the equity method. During the year, the Board purchased 755,056 (2024 – 2,025,746) class A common shares at a cost of $3,775,278 (2024 - $10,128,732), and the Board's income from DBLC under the equity method was $177 (2024 - $298,720). The income from DBLC under the equity method is included in producer payment pool expenses on the statement of operations.

15. Financial Instrument Risks:

The Board's main financial instrument risk exposure is detailed as follows:

Credit risk
The Board has determined the financial assets with credit risk exposure are due from processors, producers and others, and accounts receivable, as failure of any parties to fulfil their obligations could result in significant financial loss for the Board. There was no significant change in exposure from the prior year.

Interest rate risk
Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board is exposed to interest rate risk primarily with respect to its cash balances, fixed income investments, and long-term debt. The increase in variable rate debt in the current year has increased the exposure to interest rate risk.

Liquidity risk
The Board's liquidity risk represents the risk that the Board could encounter difficulty in meeting obligations associated with its financial liabilities. The Board is exposed to liquidity risk with respect to its accounts payable and accrued liabilities, producer payment pool and transportation pool liabilities, and long-term debt. There was no significant change in exposure from the prior year other than the increase in long-term debt as disclosed in Note 11.

Currency risk
The Board is exposed to currency risk with respect to foreign-denominated cash and investments as changes in foreign exchange rates could result in changes in the fair value of these items. The exposure to this risk increased during the year as the Board did not hold foreign-denominated cash and investments in the prior year.

Other price risk
The Board is exposed to other price risk with respect to its investments as changes in market prices could result in changes in the fair value of these investments. There was no significant change in exposure from the prior year.

Alberta Milk
Schedule of Revenues and Expenses by Core Function (Unaudited)
For the Year Ended July 31, 2025

	2024-25 Total	2024-25 Budget	2023-24 Total
Revenues:			
Administrative Assessment (Note 5)	**$ 6,953,892**	$ 6,694,738	$ 6,620,793
Grant Revenue (Note 9)	**99,000**	185,766	28,872
Investment Income (Note 7)	**1,489,956**	1,105,000	1,784,095
Marketing and Nutrition Education (MNE) Assessment (Note 5)	**13,203,606**	12,711,528	12,571,141
Other Income	**2,018,719**	363,400	1,682,261
Producer Payment Pool Revenue (Note 10)	**919,005,530**	887,688,347	864,679,286
Quota Exchange Sales (Note 4)	**88,682,916**	80,000,000	86,209,586
Quota Lease	**112,111**	595,000	576,427
Research Assessment (Note 5)	**440,121**	423,718	419,039
Transportation Pool Revenue (Notes 5 and 10)	**58,632,786**	59,171,066	54,190,397
Total Revenues	**1,090,638,637**	1,048,938,562	1,028,761,896
Expenses by Core Function:			
Governance and Producer Engagement	**1,608,753**	1,542,794	2,857,007
Marketing and Nutrition Education (MNE)	**13,424,191**	12,772,689	12,393,935
Operations	**3,734,088**	3,590,275	3,896,440
Producer Payment Pool Expenses (Note 10)	**919,005,530**	887,688,347	864,679,286
Producer Services	**1,297,441**	1,306,078	1,244,139
Quota Exchange Purchases (Note 4)	**88,682,916**	80,000,000	86,209,586
Research and Extension	**750,822**	1,205,473	1,059,492
Stakeholder Relations	**832,764**	1,353,190	807,155
Transportation Pool Expenses (Note 10)	**58,632,786**	59,171,066	54,190,397
Total Expenses	**1,087,969,291**	1,048,629,913	1,027,337,437
Excess of Revenues over Expenses	**$ 2,669,346**	$ 308,649	$ 1,424,459

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