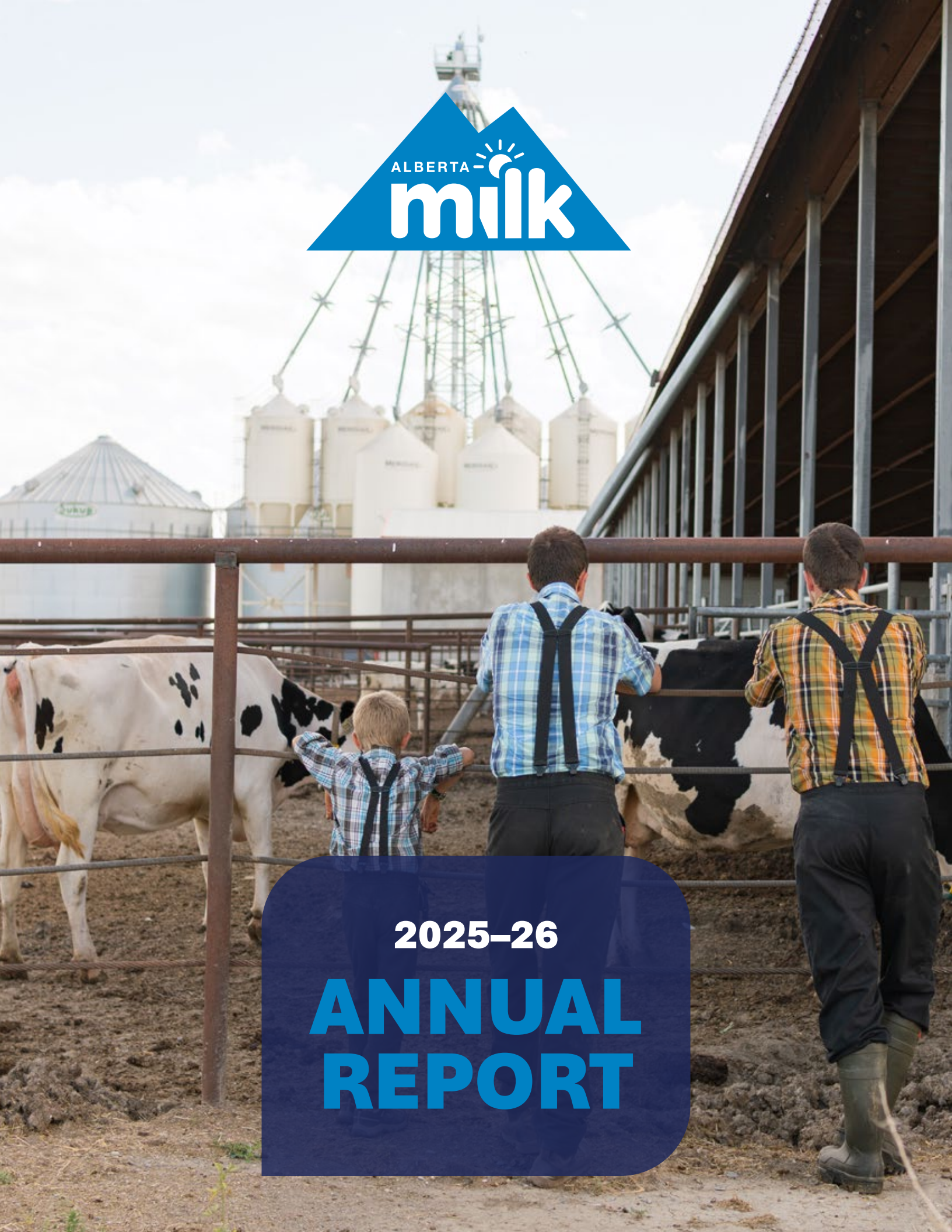

2025–26

ANNUAL REPORT



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MISSION

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

VISION

Better Together for Canadian Dairy

VALUES

Integrity

Respect

Trust

Accountability

Collaboration

GUIDING BEHAVIOURS

Think Bigger

Win-Win

Fact-Based

ALBERTA'S DAIRY

459
producers
at the end of 2025–26

869,449,768 L
milk shipped
8.06% of
Canadian production

82%
of producers qualified for the
Milk Quality bonus

56,600
people reached through dairy education and community partnerships.

IBC (bacteria, cells/mL) were the lowest on record!

An 8.1% improvement from last year.

MILK

156
triaxle routes

INDUSTRY IN 2025–26

38,384,869 kg
of Butterfat produced

Average herd size
175

Neudorf Hutterian Brethren
Milk Quality Award Winner

Fourth time in seven years!

More than
30,000
Teach Nutrition resources
were supplied to classrooms throughout the prairies

13
hauling companies

180 routes
every two days



MESSAGE FROM THE CHAIR

As I reflect on my first year as Chair, I find myself thinking less about any one challenge or achievement and more about what carried us through it all: our ability to stand together.

This year asked a lot of both Alberta's and Canada's dairy producers. The ongoing pressures surrounding the Canada-United States-Mexico Agreement continued to demand our attention and disrupt our industry. Trade challenges can feel distant from the day-to-day work of milking cows, managing feed and caring for our land, but decisions made at the negotiating tables have real consequences not only for our farms, but for our entire country. They affect the stability of our system, the confidence to invest in the industry, and the opportunities we can pass on to the next generation.

That is why standing up for what we believe in matters. Supply management is not simply a policy discussion; it is the foundation that allows Canadian dairy producers to plan, invest and produce high-quality milk for their communities. Defending that foundation takes persistence, clear communication and the willingness to speak up – even when the conversation is difficult.

It also takes cohesion. Our strength comes from working together across farms, provincial organizations, and regions. We will not always agree on every detail, nor should we. Healthy discussion makes us stronger. But once we have worked through those differences, we need to carry a clear and consistent message forward.

Speaking with one voice does not mean erasing or ignoring the differences in everyone's story. It means our individual experiences support a shared purpose. Whether we are talking to neighbours, consumers, elected officials or industry partners, we are most effective when we are clear about what we stand for and why it matters: food security and sovereignty, and a strong Canadian economy and dairy industry.

As Chair, I am grateful for the commitment producers continue to show to this industry and to one another. I also want to thank my fellow Board members, Delegates, staff and partners for their efforts in moving this industry forward throughout the year. Progress is rarely the result of one person or one organization; it comes from everyone heading in the same direction.

There will be more challenges ahead. That is the nature of agriculture and of an industry closely connected to trade, policy, markets and weather. But if this year has reinforced anything, it is that we are strongest when we remain united, speak with purpose and stand firmly behind the system and values we believe in.

Thank you for your hard work, your resilience and your continued commitment to Alberta's dairy industry.

David Morey
Chair
Alberta Milk

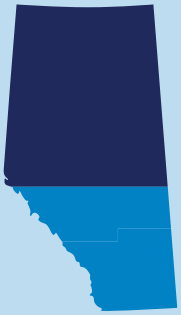


"That is why standing up for what we believe in matters. Supply management is not simply a policy discussion; it is the foundation that allows Canadian dairy producers to plan, invest and produce high-quality milk for their communities."

GOVERNANCE AND LEADERSHIP

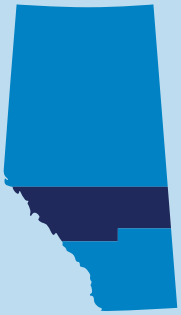
Alberta Milk is governed by a Board of Directors (Board), elected from a delegate body to represent the interests of all licensed dairy producers in Alberta. The province is divided into three regions: north, central and south. Each region is represented by 10 elected delegates that form the region's committee. The delegates support grassroots communication with producers and offer input to the Board on issues of importance to Alberta producers. The Board also works collaboratively with our regional and national partners to build a thriving dairy industry within Canada's supply managed system.

Region Delegates



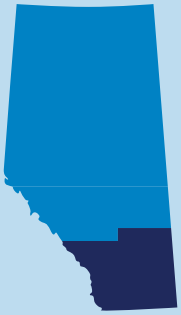
North Region

Alain Lavoie
Carina Sturkenboom
David Morey
Fred Hofstra
Jake Vermeer
Jason Crozier
Jason Rietveld
Joel Prins
Johan Grosman
Nelson Jespersen



Central Region

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



South Region

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



Alberta Milk Board of Directors, from L-R

Top Row: Conrad Van Hierden, Cornel van't Klooster, Wim van de Brake, Mike Vanden Dool, and Arjan Ijzerman

Bottom Row: Jason Rietveld, David Morey, Reuben Joosse (General Manager), and Fred Hofstra

Not pictured: Mark Van Zeggelaar

Delegates

Each of the 30 delegates must be a licensed producer in the region they represent. Delegates serve 3-year terms, and can be elected for an indefinite number of terms.

At the 2025 Annual General Meeting, Alberta Milk welcomed three new delegates: Jesse Houweling, Johan Grosman, and Willem Huijssoon. The Board also thanked outgoing delegates Dustin Grisnich, Gert Schrijver, Gezinus Martens, and Mike Roth for their service and contributions.

Directors

Alberta Milk's Board of Directors is responsible for setting policy and establishing the organization's strategic direction through the Strategic Plan. The Board is made up of nine directors: six regional directors and three directors elected at large.

This year, Fred Hofstra and Mark Van Zeggelaar joined the Board as Directors. Alberta Milk also recognized outgoing directors Gerrit Haarman and Stuart Boeve and thanked them for their dedication, leadership and service to Alberta's dairy industry.

Board of Directors	
North Region	David Morey, Jason Rietveld
Central Region	Arjan Ijzerman, Cornel van't Klooster
South Region	Conrad Van Hierden, Mike Vanden Dool
Directors at Large	Fred Hofstra, Mark Van Zeggelaar, Wim van de Brake

Standing Committees	
Audit and Risk Committee *Four directors*	Arjan Ijzerman, Jason Rietveld (Committee Chair), Mike Vanden Dool, Wim van de Brake
Governance Committee *Board Chair and three other directors*	Cornel van't Klooster, David Morey, Fred Hofstra (Committee Chair), Mark Van Zeggelaar
National & Interprovincial Committee (NIC) *Board Chair, Vice-Chair, DFC Director (unless they are also the Chair or Vice-Chair)*	David Morey, Jason Rietveld, Wim van de Brake

External	
Canadian Milk Supply Management Committee *NIC members*	David Morey, Jason Rietveld, Wim van de Brake
Dairy Farmers of Canada Delegates *NIC members and three other directors*	Arjan Ijzerman, Conrad Van Hierden, Cornel van't Klooster (DFC Director effective July 14, 2026), David Morey, Jason Rietveld, Wim van de Brake (DFC Director term concluded July 14, 2026)
P10 Pooling Committee *NIC members*	David Morey, Jason Rietveld, Wim van de Brake
Western Milk Pool Coordinating Committee *NIC members*	David Morey, Jason Rietveld, Wim van de Brake
Western Milk Pool Advisory Committee	Jason Rietveld, Mike Vanden Dool
Dairy Innovation West (DIW)	Cornel van't Klooster
DIW Buildings and Land Corporation	Cornel van't Klooster

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*. One review, requested by an industry stakeholder, was held in 2025–26.

REGULATIONS AND BYLAWS

Alberta Milk initiated a regulatory and bylaw review in 2024 as required by the Alberta Agricultural Products Marketing Council (Marketing Council). Through consultation with producers and delegates, administrative amendments were put forward that focused on adding clarity, correcting references and terminology, and creating flexibility that makes it easier for producers' voices to be heard.

The process concluded in 2025–26, as the regulatory amendments were made in November 2025, and the bylaw amendments came into effect when they received Marketing Council approval in December 2025.

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 2025.
- Completed performance assessments for the Board as a whole and the General Manager.
- Completed peer-to-peer evaluations for Directors, as well as a Chair evaluation.
- Monitored progress for the final year of the Alberta Milk 2024–26 Strategic Plan and participated in finalizing the Western Milk Pool 10-Year Strategic Plan.
- Held two delegate workshops (October 2025 and April 2026) to discuss strategic issues facing the Canadian dairy industry and support succession planning.
- Held delegate training focused on building effective communication skills, the importance of maintaining confidentiality, and growing Delegates' understanding of the opportunities and challenges faced by Alberta's dairy processors.

FEDERAL-PROVINCIAL AGREEMENTS

The Board also supported the modernization of two important federal-provincial agreements governing the dairy industry. The Federal-Provincial Agreement on the Sharing of Milk Revenues and Costs, commonly referred to as the P10 Agreement, provides the national framework for:

- pooling milk revenues.
- sharing certain costs.
- harmonizing administrative practices.
- implementing decisions made through the Canadian Milk Supply Management Committee.

In late 2025 and throughout 2026, Alberta Milk worked with the Canadian Dairy Commission, provincial milk marketing boards, Marketing Council, and legal counsel to move the agreement through its final review stages, support industry and stakeholder consultation, and prepare it for provincial signatory approval. This work helped ensure the updated agreement reflected current dairy industry practices, formally included all 10 milk-producing provinces, and maintained certainty for producers, processors, and provincial milk marketing boards as the national pooling framework is modernized.

The Board also supported continued progress on the revised Western Milk Pooling Agreement (WMPA), which governs how British Columbia, Alberta, Saskatchewan, Manitoba, and the Canadian Dairy Commission work together through the Western Milk Pool. In 2025–26, the Board supported this work by reviewing the direction and principles of the modernized agreement, supporting continued collaboration with western milk marketing boards, and advancing consultation with producers and other stakeholders. The revisions focus on updating the agreement to reflect:

- decisions made since the WMPA was last amended in 2000.
- expanded cost-sharing.
- clearer governance.
- improved dispute resolution.
- stronger alignment with the modernized P10 Agreement.

By continuing to move the revised WMPA through review and consultation, the Board helped position the western dairy industry for greater consistency, collaboration, and long-term competitiveness.

MESSAGE FROM THE GENERAL MANAGER

Looking back on the past year, one thing stands out to me: much of our best work happens when we work as a team.

That may sound simple, but in an industry as interconnected as dairy, collaboration matters. The decisions we make in Alberta are increasingly linked to what happens or doesn't happen both regionally and nationally. Over the past year, Alberta Milk continued to strengthen our own team as well as our industry relationships, while staying focused on what matters most: delivering value for Alberta dairy producers.

With collaboration as a major focus, Alberta Milk worked closely with our Western Milk Pool partners to identify opportunities to align policies, share resources and improve regional coordination. Work continued around creating regional transportation efficiencies, as well as the modernization of regional and national pooling agreements that govern our collective system and set the overarching framework for how we work together. At a more granular level, we also identified a collective gap in data analysis capacity that we agreed to fill together – saving money by sharing expert resources and unlocking new ways to use data to inform decision-making.

That kind of teamwork allows us to accomplish more and deliver greater value than any one organization or province could achieve alone. This principle is fundamental to Canada's supply-managed dairy system, where provincial, regional and national teams work together to share expertise, coordinate decisions and strengthen the system for producers across the country.

Our Alberta Milk team continues to evolve to meet the growing complexity and needs of our industry, while continuing to focus on the fundamentals of our role as a marketing board: ensuring milk is available when and where processors need it, maintaining our high quality standards, and supporting producers. We also worked diligently to seek – and act on – feedback from producers about our communication and engagement. We are committed to providing producers with the information and tools they need to make informed decisions for their individual operations as we look ahead to an exciting period of growth for the industry.

Processors are also an essential part of our team. Producers supply high-quality milk, but we rely on processors to transform that milk into the products Canadians enjoy every day. This year, we continued building relationships with Alberta processors and grew our understanding of what conditions create success for processing companies in Alberta. Growing processing capacity is not something any one organization can accomplish overnight, but creating a stable environment for investment and supporting processors that want to grow in Alberta remains important for the long-term health of our industry.

As we move into a new strategic plan, the teamwork mindset will continue to guide us. Alberta Milk will remain focused on developing and enhancing partnerships that strengthen our industry, creating value for producers, building constructive relationships with processors and haulers, and finding practical opportunities to work more effectively across provincial borders.

I want to thank our Board, Delegates, staff, industry partners and, most importantly, Alberta's dairy producers for the time, perspective and trust you continue to bring to this organization. There is no shortage of change ahead for Canadian dairy, but I am confident in our ability to navigate it when we continue working together.

R Joosse

Reuben Joosse
General Manager
Alberta Milk



MEET THE ALBERTA MILK TEAM

Alberta Milk is guided by five core values: Integrity, Respect, Trust, Accountability, and Collaboration. These values shape how staff work together to achieve the goals set out in the strategic plan and support Alberta's dairy producers and industry. The Senior Leadership Team (SLT) is committed to fostering a positive, inclusive workplace where employees are empowered to contribute, grow, and succeed.



Over the past year, many staff accomplishments were celebrated, including length of service awards, retirement, and the addition of some new faces to the Alberta Milk team.

The Board recognized four staff members on their length of service: Siobhan Brilz – five years; Audrey Kirtzinger – 10 years; Jonathan Ntoni – 10 years; Denise Brattinga – 30 years. Each of these dedicated individuals generously share their knowledge and expertise to help Alberta Milk better serve Alberta's dairy producers.

After a distinguished career in dairy which began prior to Alberta Milk's inception, Bill Beisal retired in July 2026. His expertise, leadership, and commitment to the industry earned the respect of producers, haulers, processors, and industry partners alike. Bill's contributions have left a lasting impact on Alberta's dairy sector and continue to influence the industry beyond Alberta's provincial borders.

While saying goodbye to team members is always hard, Alberta Milk was fortunate to welcome Megan Cimino as coverage for Jaime Horbach's maternity leave. The addition of four permanent staff members was also a reason to celebrate: Janet Randhawa, Kevin Patel, Megan Di Bartolo, and Shane Wilhelm all joined Alberta Milk in 2025–26.



SENIOR LEADERSHIP TEAM



CORPORATE SERVICES

From left to right:

Shelley Rietveld, Corporate Services Coordinator; Janet Randhawa, Senior Administrative Assistant; Megan Di Bartolo, Policy and Planning Analyst; Kelsie Cosens, Communications Specialist; Siobhan Brilz, Manager; Megan Cimino, Marketing Coordinator; Kim Skolarchuk, Western Administrative Coordinator



FINANCE AND POLICY

From left to right:

Cristin Vollrath, Quota Coordinator; Helene Nguyen, Financial Controller; Denise Brattinga, Manager; Jutty Kudhail, Payroll, Benefits, and Accounts Payable; Jonathan Ntoni, Economist; Larysa Diachenko, Accounting Technician



PRODUCER SERVICES

From left to right:

Yvonne Fernandes, Member Services Analyst; Kelly Mauthe, Member Services Specialist; Shane Wilhelm, Member Services Coordinator; Mike Slomp, Manager; Kira Hames, Dairy Research and KTT Specialist; Morgan Hobin, proAction® Coordinator; Audrey Kirtzinger, Transportation Coordinator



INFORMATION TECHNOLOGY

From left to right:

Birat Rai, IT Specialist; Jason Beck, IT Director; Kevin Patel, Data Analyst



WESTERN MILK POOL

BETTER TOGETHER FOR CANADIAN DAIRY

This year marked an important transition for the Western Milk Pool (WMP), from developing a 10-year strategic plan to putting it into action. The plan provides a long-term direction focused on sharing costs, revenues, and risks across Canada, maximizing the value of all milk components, and growing Canadian dairy demand.

The February meeting of all western provincial dairy boards strongly validated that direction while taking a deeper look at what successful growth means for the West. The message was clear — growth must deliver positive returns to producers, maximize quota opportunities, align with consumer demand and be supported by strategic processor investment. Those conversations continued with processors at the Western Canadian Dairy Leadership Summit, where producers and processors shared a common desire for a more agile, market-responsive dairy system.

That strategic direction is increasingly important. Rapid growth in consumer demand for protein is challenging our dairy system historically driven by butterfat, and raising complex questions about component balance, markets, and national policy. At the same time, unprecedented tariff and trade volatility is adding another layer of complexity.

A major focus, both now and over the long term, is ramping up milk supply: increasing production to meet the demand created by significant new processing capacity expected in the West, and then sustaining those higher production levels to support projected growth. To manage this, work continues to coordinate the ramp-up across the four Western provinces so that growth stays aligned with processor needs and market demand. This includes engaging processors on their future needs and considering how Western processing infrastructure can support growth and create greater value from milk components. Regionally, work has also begun to formalize a business development program that sets clear criteria and terms for shared capital investment, so the industry can grow together.

Increasing milk volumes reinforces the importance of managing transportation costs. As a significant cost for producers, transportation remains a strategic focus, including work to better coordinate milk movement across the four Western provinces, identify efficiencies and prepare for future volumes. Transportation efficiency requires a system-wide approach. In 2025–26, work focused on evaluating current policies and identifying constraints and opportunities across processors, producers and haulers. Future projects will explore the use of technology to manage an increasingly complex system, ensuring we can move growing volumes of milk efficiently and sustainably while fulfilling the commitments to transportation cost sharing established at the national table.

The region also harnessed technology by hiring a dedicated data analyst to develop databases and dashboards that strengthen decision-making and help identify emerging trends. Work also progressed on regional data sharing, bringing the Boards closer to securely combining and analyzing their provincial datasets to support more coordination and harmonization.

While significant work remains, strong western alignment and collaboration with processors and national partners are turning long-term strategy into practical progress.

MILK PRODUCTION

The 2025–26 dairy year concluded with 459 dairy farms operating across Alberta, collectively shipping 869,449,768 litres of milk, which accounts for 8.06 per cent of Canada's total milk production. The province's average butterfat content reached 4.41 kg/hL, marking a 1.12 per cent increase from the previous year's average of 4.37 kg/hL. Alberta contributed 38,384,869 kg of butterfat to the national dairy supply.

The WMP avoided overproduction or underproduction penalties in 2025–26. Its cumulative quota position (CQP) was -3.60 per cent, reflecting underproduction against its Canadian Dairy Commission (CDC) allocated quota. By comparison, the P5 pool finished at +3.32 per cent, resulting in an overall Canadian CQP of +0.81 per cent.

Alberta's solids-non-fat (SNF) to butterfat (BF) ratio stood at 2.06, well below the provincial limit of 2.42, and reflected a 2.55 per cent decrease from last year's ratio of 2.12. Across the WMP, the combined SNF/BF ratio was 2.08, also within the pool's limit of 2.40, and down 0.34 per cent from the previous year's ratio of 2.09.

SPECIALTY MILK PRODUCTION

The Board approved a Specialty Milk Directive to support the development and growth of specialty milk markets in Alberta. The directive provides a framework for Alberta Milk to work with producers and processors to identify opportunities, assess market demand, and facilitate the production and marketing of specialty milk products, including A2 and grass-fed milk.

During the year, Alberta Milk continued to engage with producers and processors to explore emerging specialty milk opportunities and ensure Alberta producers are well-positioned to respond to changing consumer preferences and market needs.

ORGANIC PRODUCTION

There were seven organic producers in Alberta in 2025–26, about 1.5 per cent of the province's producers. Organic milk production continues to be an important part of Alberta's dairy industry, providing consumers with additional product choice and producers with access to specialized markets. Alberta Milk worked closely with processors and organic producers throughout the year to support market development and ensure organic milk supplies remained aligned with processing requirements and consumer demand.

Despite evolving market conditions, Alberta maintained a stable organic milk sector and remained well poised to meet processor demand for organic dairy products.

QUOTA AND UNDERPRODUCTION CREDITS

For the 2025–26 dairy year, Alberta's Total Production Quota (TPQ) allocated by the CDC was 39,223,946 kg of butterfat, representing a 2.80 per cent increase from the 2024–25 level of 38,156,624 kg.

Alberta Milk did not issue any quota increases during the 2025–26 dairy year.

Over the course of the year, 1,277 kg of Continuous Daily Quota was transferred through the producer quota exchange, a 21.88 per cent decrease compared to the previous year. Additionally, Alberta producers transferred 678,956 kg of underproduction credits among themselves, marking a 3.85 per cent increase year-over-year.

QUOTA EXCHANGE ACTIVITY

Quota exchange activity in 2025–26 reflected stronger demand for quota alongside reduced availability. Total bid volume increased by 42.71 per cent to 5,069 kg, while total offer volume declined by 16.33 per cent to 2,362 kg. At the same time, successful exchange volume decreased by 21.88 per cent to 1,277 kg. This tighter supply and demand environment was accompanied by higher quota values, with the average clearing price increasing by 16.90 per cent to $63,294/kg. The average lowest and highest successful bid and offer prices also increased by approximately 15 to 17 per cent respectively, indicating that the increase in quota values occurred across the range of successful transactions.

The number of successful sellers decreased from 132 to 83, while successful buyers decreased from 134 to 106. Taken together with the lower successful volume, the results show that less quota changed hands despite substantially greater bid volume during the year.

Quota Exchange Statistics	2024-25	2025-26	Change (%)
Total Offer Volume (kg)	2,823	2,362	-16.33
Total Bid Volume (kg)	3,552	5,069	+42.71
Successful Volume (kg)	1,634	1,277	-21.88
Average Refund ($/kg)	1,104	2,065	+87.05
Average Clearing Price ($/kg)	54,145	63,294	+16.90
Average Lowest Successful Bid ($/kg)	54,214	63,663	+17.43
Average Highest Successful Bid ($/kg)	56,988	66,926	+17.44
Average Lowest Successful Offer ($/kg)	50,490	58,304	+15.48
Average Highest Successful Offer ($/kg)	54,077	62,924	+16.36
Total Successful Sellers	132	83	-37.12
Total Successful Buyers	134	106	-20.90
Total Participants*	401	439	+9.48

* Total participants is not a count of distinct producers. A producer may participate in multiple monthly exchanges during the year and therefore may be counted more than once. The figure is useful as an indicator of overall participation activity in the exchange, rather than the number or percentage of Alberta producers who participated.

INCENTIVE DAYS AND CREDIT-USE RESTRICTIONS

In 2025–26, Alberta Milk granted a total of five incentive days to conventional producers — two days in August 2025 and one day per month for September, October and November 2025.

No credit-use restrictions were applied during the year.

Producer Payment			
Year	2024–25	2025–26	Change (%)
Provincial Butterfat (kg/hL)	4.3658	4.4148	+1.12
Provincial Protein (kg/hL)	3.3251	3.3463	+0.64
Provincial Other Solids (kg/hL)	5.9214	5.9325	+0.19
Pool Deductions ($/kg)	0.05	0.04	-20.00
Producer Butterfat Price ($/kg)	19.22	17.77	-7.54
Producer Protein Price ($/kg)	2.97	4.42	+48.82
Producer Other Solids Price ($/kg)	0.83	0.83	0.00
Average Milk Price ($/hL)	98.74	98.12	-0.63
Total Producer Revenue ($)	869,126,403	853,088,056	-1.85

NEW PRODUCER ASSISTANCE PROGRAM

The New Producer Assistance Program (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.

In 2025–26, Alberta Milk reviewed six applications for the NPAP:

- One was approved.
- Two withdrew.
- Three are still in progress.

MILK QUALITY

Alberta dairy producers take the responsibility of producing high-quality milk very seriously. Through rigorous standards, comprehensive enforcement programs like the Progressive Penalty Program (PPP), and milk quality incentives for producers, Alberta Milk works diligently to ensure that only the highest quality milk is produced.

MILK SAMPLING

Milk sample tests determine bonuses, awards, and penalties, all of which impact producer pay. Producers rely on several industry partners including bulk milk graders, hauling companies, dairy processors, couriers, and the Lactanet Central Milk Testing lab to collect and deliver samples for testing in a timely, controlled, and reliable manner.

Sample Suitability* & Testing

Dairy Year (August 1 to July 31)	2024–25	2025–26
Number of milk samples from shipments	94,949	95,066
Number of valid samples tested	93,700	94,147
Percentage of milk shipments tested (%)	98.7%	99.0%

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

SAMPLE TURN AROUND TIME

The Sample Turn Around Time (STAT) is a measure of the difference in time from when a producer's sample was collected to when it was tested in the lab. STAT is a commitment by Alberta Milk to ensure sample pick up, courier delivery to the lab, and lab testing procedures are conducted in a time-sensitive manner to ensure producers receive their sample results as quickly as possible. As a demonstration of that commitment, Alberta Milk established a goal to have a provincial average sample turnaround time of 1.5 days, including Sundays and holidays.

The average provincial STAT for 2025–26 continued to improve and was 1.46 days. While the goal of 1.5 days has been achieved, staff continue to fine-tune the system for further efficiency 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
2023–24	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
2024–25	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
2025–26	1.52	1.36	1.44	1.41	1.50	1.56	1.49	1.43	1.39	1.51	1.42	1.45	1.46

PROGRESSIVE PENALTY PROGRAM

Alberta producers have been using the PPP for three full dairy years and milk quality continues to improve. Under PPP, producers are assessed a penalty on the volume of transported milk that is in violation of PPP criteria. The penalty amounts increase with each subsequent violation, and suspensions are applied if the total number of violations exceed a maximum threshold within a rolling 12-month period.

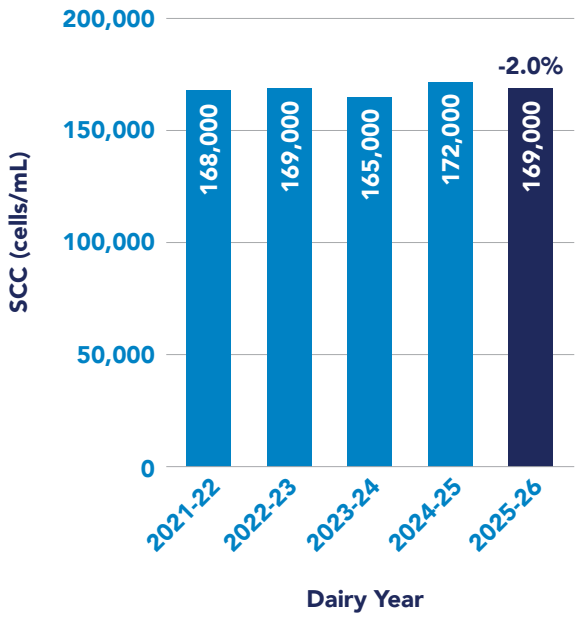
Once again, a large majority of sample results were compliant and well under the regulatory limit. These results continue to highlight the commitment of Alberta's dairy producers to producing only the highest quality milk.

MILK QUALITY

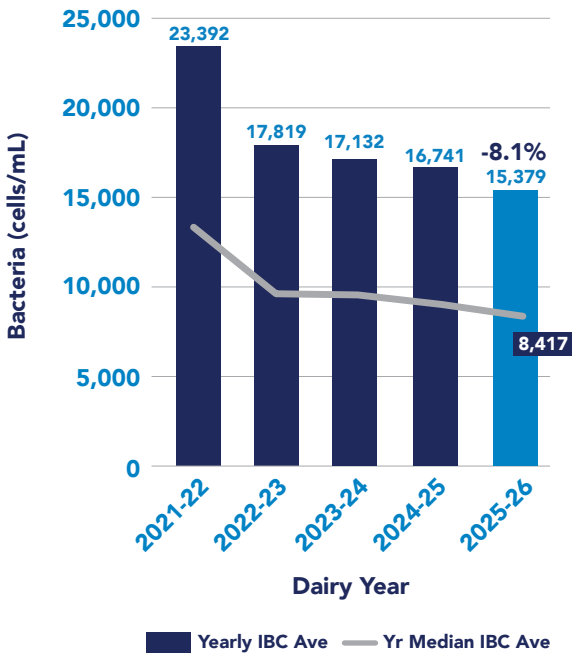
Somatic Cell Count (SCC) is an important indicator of raw milk quality and animal health. The 2025–26 provincial average of 169,000 cells/mL is two per cent lower than the previous year's provincial average. Bacteria counts (IBC) in raw milk are also used as an indicator of raw milk quality.

The yearly provincial IBC average decreased by 8.1 per cent, setting a new record-low for Alberta producers! These low bacteria results continue the trend from previous years, and highlights that the adoption of the PPP has had a positive influence on reducing bacteria counts.

PROVINCIAL SCC AVERAGE



PROVINCIAL IBC AVERAGE



Raw Milk Quality Test Compliance 2025–26			
Milk Quality Measure	**Bacteria**	**Somatic Cell**	**Freezing Point**
Samples	87,688	94,147	94,147
Samples below the regulatory limit	86,885	93,646	94,094
Percentage of samples below the regulatory limit (percentage change from last year)	99.08% (+0.09%)	99.47% (+0.17%))	99.94% (-0.03%)
Penalties applied to shipments	803	501	53
Producers penalized	231	83	18
Level 1 (1 to 10) $5/hL	220 (95.2%)	70 (84%)	17 (94%)
Level 2 (11 to 20) $15/hL	10 (4.3%)	8 (10%)	1 (6%)
Level 3 (21 to 30) $45/hL	1 (0.4%)	5 (6%)	0
Level 4 (over 30) $45/hL + suspension	0	0	0

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.

CELEBRATING EXCELLENCE IN MILK QUALITY

Alberta Milk has two programs for rewarding excellence in milk quality. All of the following requirements must be met in order to qualify.

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 -0.525H	At or under -0.530H
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 82% of producers qualified and collected $1,385,030 of available funds in the dairy year.	Of the producers who shipped in all 12 months, 194 producers (43%) qualified.

Provincial Milk Quality Award Winner

For the fourth time in seven years, Neudorf Hutterian Brethren is the Milk Quality Award winner!

For Neudorf Colony, producing high-quality milk comes down to faith, cleanliness and consistent attention to every cow.

Located near Crossfield, Neudorf Colony began dairy farming in 1991 and is managed by Peter and Paul. Today, the farm milks 122 cows in a double-six herringbone parlour, with the herd housed in a freestall barn. While the original barn remains in use, the stalls and ventilation were upgraded in 2013 to support cow comfort and cleanliness. The colony is also home to hog and laying hen operations.

Their commitment to milk quality has earned Neudorf Colony the provincial Milk Quality Award for the fourth time in seven years, an achievement that reflects the consistency behind their day-to-day approach.

Peter and Paul point to three things that have been particularly important to maintaining high milk quality: the guidance and grace of their dear Lord; keeping both cows and stalls clean; and closely monitoring the individual somatic cell count (SCC) of every cow. When a cow produces a positive M4 test, she is removed from the herd.

It is a straightforward approach built on faith, careful management and doing the small things well every day. For Neudorf Colony, those habits have translated into an impressive record of milk quality and another provincial title.

Congratulations to Neudorf Hutterian Brethren!

Alberta's Top Ten Dairy Farms for Milk Quality	Region	Number of Awards Won*
1. NEUDORF HB	CEN	15
2. H & J LEUSINK DAIRY LTD.	SOU	12
3. BRANT HB	SOU	11
4. GREENWOOD HB	SOU	18
5. ARCO FARMS LTD.	NOR	13
6. NEW ROCKPORT HB	SOU	14
7. SYLVANSIDE DAIRY LTD.	CEN	17
8. LOS DAIRIES LTD.	NOR	12
9. HILLRIDGE HBC	SOU	14
10. GDL FARMS LTD.	SOU	16

* Results dating back to 2002, the year Alberta Milk was established.

TRANSPORTATION

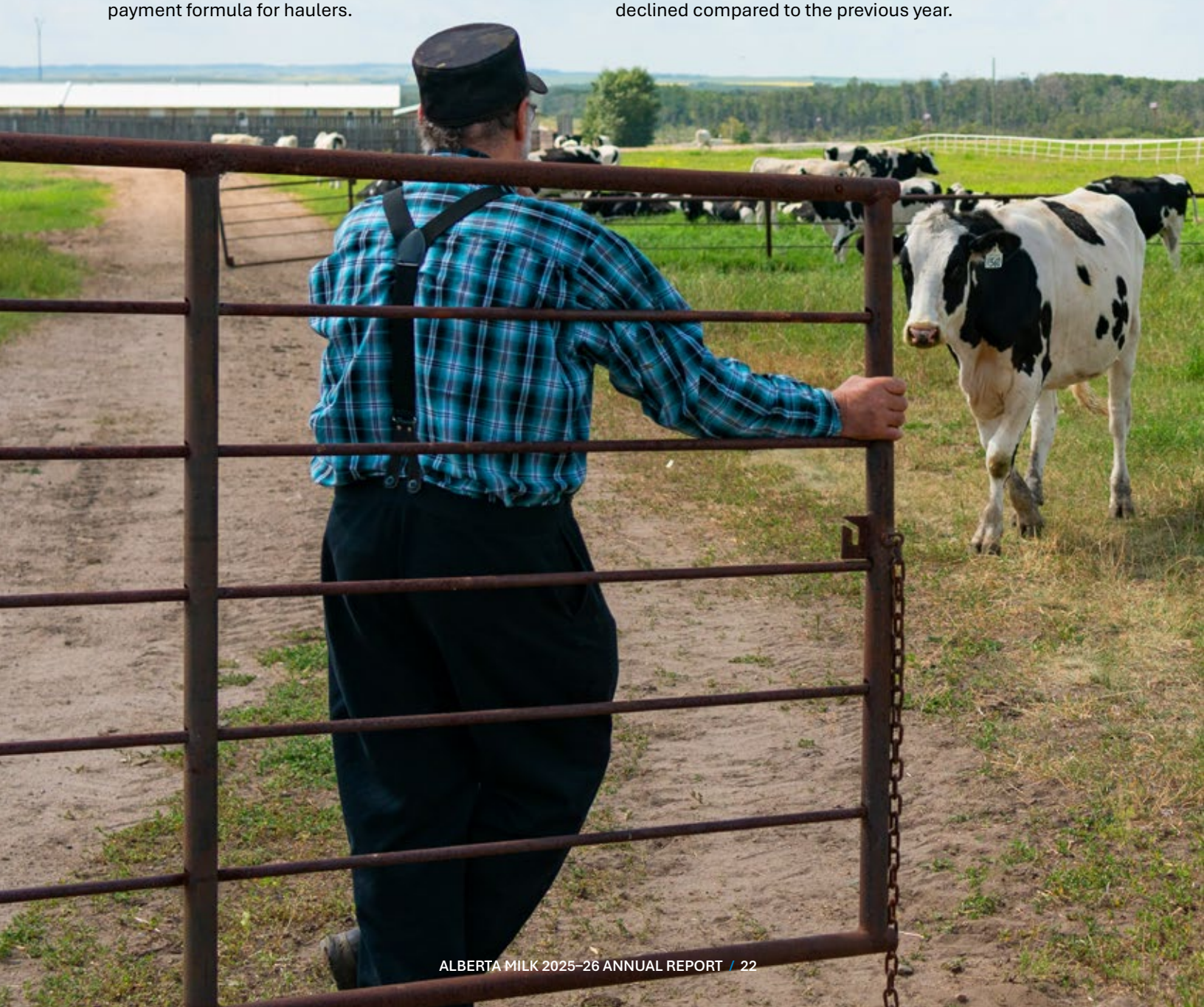
The Alberta Milk transportation team continued to work diligently to maintain the efficient and cost-effective movement of milk throughout Alberta and the WMP. Collaboration with provincial WMP partners, producers, haulers, and processors is integral to the success of these efforts.

Alberta Milk and the WMP partnered to enhance system efficiency and align transportation practices across all provinces. Several key projects were initiated in 2025–26 including the review and renewal of transportation policies, and the harmonization of methodologies in the payment formula for haulers.

These projects are expected to take multiple years to complete, but will establish a strong foundation for future efficiencies and greater consistency throughout the WMP.

Interprovincial milk movement was continuously adjusted in response to variations in production levels and processor demand across the WMP.

During the 2025–26 dairy year, the volume of milk shipped to British Columbia remained relatively stable, while volumes delivered to Saskatchewan and Manitoba declined compared to the previous year.



CONNECTING proAction® WITH ON-FARM SUPPORT

In the 2025–26 fiscal year, Alberta Milk advanced its approach to assisting individual producers through its On-Farm Support (OFS) Program. The OFS program provides a structured and consistent way to support farms where additional follow-up is required, including situations identified through proAction cattle assessment results or credible animal care concerns. This work reflects Alberta Milk's ongoing commitment to supporting producers, encouraging continuous improvement, and maintaining confidence in the dairy industry's animal care standards.

One of the strengths of the OFS Program is its engagement with industry service providers (ISPs) such as veterinarians, nutritionists, hoof trimmers, and equipment suppliers. ISPs are invaluable in bringing professional experience and expertise as well as practical application when assisting producers each day.

Alberta Milk contracted several independent ISPs to be available for producers seeking or requiring additional insight and direction for their farm. The contracted ISPs support includes a complete on-farm assessment followed by recommended actions or improvements. These findings and recommendations identify clear expectations which support the producer to achieve visible, measurable, and timely improvements on the farm.

The OFS program was designed to be collaborative, informed, and achievable for the individual producers requiring support. Collaborating with industry professionals leads to positive and timely outcomes in meeting the requirements of proAction.

PREPARING PRODUCERS FOR CHANGING REQUIREMENTS

Over the past year, Alberta Milk has worked with Dairy Farmers of Canada (DFC) to prepare for new 2027 proAction requirements, while also updating resources such as the Reference Manual, Workbook, and Validator Protocol. These changes reflect the specific updates introduced through the 2023 Code of Practice for the Care and Handling of Dairy Cattle and will be implemented across Canadian farms over the two-year validation cycle. Other partners in developing new training material for producers included the DFC Board, the National proAction Committee, various Technical Committees, and each of the Provincial Coordinators.

Alberta Milk staff also began preparing for province-wide producer training workshops, beginning in late 2026 and early 2027, to communicate these program changes. These workshops will ensure farms have timely access to information, tools, and guidance ahead of implementation.

A WESTERN APPROACH TO RESEARCH AND SUSTAINABILITY

WESTERN DAIRY RESEARCH COLLABORATION

The western provincial dairy organizations formed the Western Dairy Research Collaboration (WDRC) as a working group to streamline the investment of producer dollars in research and maximize both the benefit and impact of innovation for producers in the West. Within the WDRC, each province is represented by two producers who review all proposals for industry relevance and alignment with western research priorities.

WESTERN RESEARCH PRIORITIES AND CURRENT PROJECT NUMBERS

1. **Animal Health, Care, and Welfare**
   a. Disease Management (1 project)
   b. Cattle Welfare (1 project)
   c. Nutrition and Feeding Management (5 projects)
   d. Reproduction Efficiency (1 project)
2. **Milk Quality, Composition, and Processing**
   a. Udder Health (1 project)
   b. Processing and Valorization of By-products (3 projects)
3. **Dairy Farm Sustainability (Economic, Environmental and Social)**
   a. Feed Efficiency (2 projects)
   b. Methane Efficiency (1 project)
   c. Water Management (1 project)

In 2025, WDRC representatives met with 18 researchers, reviewed 47 proposals and recommended 11 multi-year projects for funding. The Western Canadian Dairy News featured the 2025 projects in their fall 2025 edition.

2025 WDRC Project Evaluation

18
Project Pitches

47
Proposals Reviewed

11
Projects Funded

$550,287
Committed by WDRC

For every producer dollar spent **$12** leveraged from funding partners

Since the WDRC was formed in 2024, it has committed $1 million to 16 multi-year projects, with every producer dollar spent resulting in $12 leveraged from funding partners. Many funds have gone to projects in Animal Health, Care & Welfare and the WDRC has partnered with eight research institutions across Canada and 16 government, non-profit, and private funding partners.

DRIVING INNOVATION WITH TARGETED PRIORITIES

Collaborating through the WDRC led to an increase of funding available for both research and knowledge translation and transfer (KTT). The WDRC drove innovation and value for producers through targeted callouts for applied research and KTT. In 2026, the first WDRC targeted call was launched to address:

1. Hock injuries as the leading cause for corrective actions from proAction cattle assessments.
    a. Targeted priority: develop a toolkit of farm-tailored practical prevention and intervention options to reduce the prevalence of hock injuries.
2. The occurrence of cross-sucking in socially housed calves as the top concern of dairy producers planning a calf housing transition.
    a. Targeted priority: evaluate new and existing strategies to practically reduce the occurrence of cross-sucking in socially housed calves.

Proposals were submitted for evaluation, with funding decisions made at the end of 2026.

BRINGING MORE VALUE TO RESEARCH WITH KTT

In 2026, the WDRC established its western KTT strategy, which will be launched in early 2027. Establishing a clear strategy ensures that dairy producers in western Canada understand and realize the clear and measurable return on investment in research by:

1. Increasing awareness of WDRC-funded research activities.
2. Effectively communicating research outcomes and implications to producers and service providers.
3. Engaging producers and service providers in identifying research and KTT priorities.
4. Accelerating the adoption of new technologies and beneficial management practices (BMPs) on farm.

Based on this strategy, Alberta Milk will invest in KTT projects that transform research results into practical, accessible and effective decision-making tools on farm. For example, over the last 10 years, Alberta Milk has invested in research to generate knowledge on bovine leukemia virus (BLV) detection, risk assessment, management and economic impact. BLV is present on 92 per cent of farms in Alberta and costs an estimated $635 per infected cow due to milk loss, cull risk and reduced slaughter value. These research results have now grown into a KTT project that will develop an online BLV risk assessment tool for veterinarians and producers, to generate farm-tailored BLV control best management practices. The tool will be launched with educational resources and training workshops, with the goal of reducing BLV on dairy farms in Alberta.

A strong research and KTT program will drive innovation to address industry challenges and ensure new technologies and practices are effectively communicated to and implemented on dairy farms across the west.

SUSTAINABILITY THAT MAKES $ENSE

In 2026, the western provincial producer organizations developed their own sustainability workplan for the first time, designed to complement national leadership of sustainability initiatives. Whether working regionally or nationally, the priority remained to ensure sustainability makes sense for producers. Some key drivers for sustainability in the west included:

1. Economic viability of the farm, along with environmental stewardship and social responsibility all fit in the sustainability category.
2. As increased production efficiency leads to greater environmental sustainability, there are many practices that benefit the environmental and farm profitability.
3. Sustainability initiatives build trust with consumers, foster confidence with partners, and manage risk along the supply chain.

The National Sustainability Committee, including producer representation from each region, began the process of updating the Net Zero Model and Sustainability BMP Guide. The updates include recommended on farm practices and intend to create a road map for achieving net zero by 2050.

DFC completed a second round of piloting carbon footprint calculators, which occurred on 11 farms in the west. Most project participants rated the ease of data collection as either neutral or easy to acquire, with farms who participated in both rounds saying data collection was much easier the second round of piloting. Additionally, over 70 per cent of farms indicated they would participate in another pilot. The primary motivations for participating in the pilot were the benefits toward consumer perception, contributions towards sustainability efforts, and tracking their own emissions performance. A third round of this pilot was being explored, as a joint venture between DFC and Dairy Processors Association of Canada (DPAC) to further support sustainability reporting along the supply chain.

BUILDING PARTNERSHIPS IN SUSTAINABILITY

A big accomplishment over the past year was the establishment of the Canadian Sustainability Coordinating Committee (CSCC). The CSCC is comprised of both dairy producers and processors to make recommendations to DFC and DPAC that benefit the entire Canadian dairy value chain, balancing stakeholder expectations for sustainability with the practical realities of on-farm operations.

Work had begun under the CSCC to develop a national sustainability incentive model, to share the costs of on-farm sustainability practices along the dairy supply chain. Key principles of the work include:

1. Transparency and credibility.
2. Ensuring fair compensation for producers' efforts.
3. Streamlined and minimized producer participation requirements.
4. An opportunity for all farms across Canada to participate.



MARKETING AND COMMUNITY ENGAGEMENT

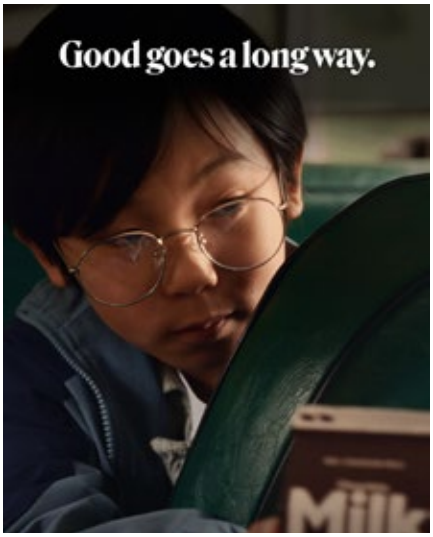
Alberta Milk brings dairy closer to Albertans by connecting dairy products with the people, values, and farm families behind them. Through consumer campaigns, authentic farmer storytelling, and community partnerships, Alberta Milk created opportunities for Albertans to see dairy not only as a product they enjoy, but as part of a larger story of care, quality, and commitment to local communities. This work supports long-term market growth by building love for dairy products, strengthening positive perceptions of the dairy sector, and deepening public trust in Alberta dairy farmers. These efforts contributed to record-high levels of consumer confidence, with 72 per cent positive sentiment toward milk and 78 per cent positive sentiment toward Alberta dairy farmers reported this past year.

MARKETING

Good Goes a Long Way

In Spring 2026, Alberta Milk launched *Good Goes a Long Way*, a product-centered campaign showcasing dairy's role in bringing comfort, care, and connection to everyday moments.

The campaign ran across digital media, Connected TV and in-stores, achieving 43 per cent recall among the target audience and helping strengthen positive sentiment toward dairy, with 67 per cent of viewers responding favourably to the campaign. It also increased intent to consume dairy products among those who saw it.



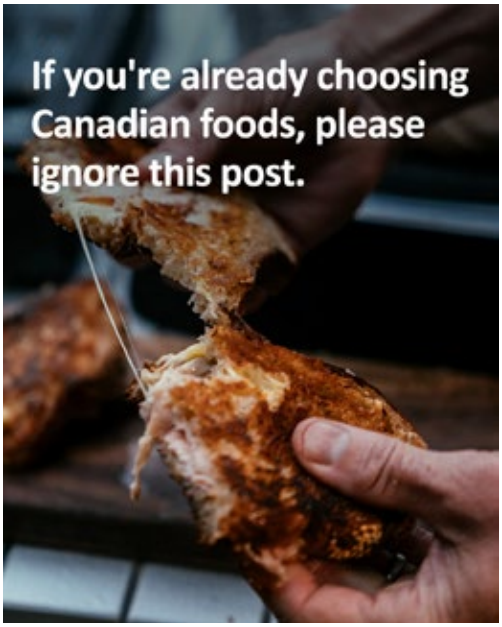
Here in Alberta

In response to heightened public discussion around Canadian agriculture, trade, and food security, Alberta Milk launched *Here in Alberta* to complement national efforts and reinforce the value of Canadian-made dairy products.

The campaign delivered a timely message: Albertans can trust safe, high-quality milk produced close to home by local Alberta farm families, positioning the province's dairy sector as local, reliable, and trusted.

The campaign exceeded its objectives, achieving 47 per cent recall and strengthened confidence in Alberta dairy products and farmers. Results included 75.5 per cent positive milk sentiment and strong farmer attitude scores, all meeting or exceeding benchmark targets.





COMMUNITY PARTNERSHIPS

Community partnerships help Alberta Milk build trust by demonstrating Alberta dairy farmers' commitment to the communities they serve. Through investments in children's health, youth athletics, and food insecurity reduction, Alberta Milk connects dairy farmers with causes that matter to Albertans and highlights their positive impact beyond the farm gate.

Supporting Children's Hospitals

Alberta Milk continued its commitment to children's health through partnerships with Alberta Children's Hospital and, new in 2026, the Stollery Children's Hospital. Through holiday fundraising and awareness campaigns, Alberta Milk helped connect Albertans with opportunities to support pediatric healthcare while strengthening trust in Alberta dairy farmers. The Alberta Children's Hospital campaign was brought to life through the story of dairy farmer Crystal Olive, whose family's experience with the hospital helped demonstrate the real impact these donations have on children and families.

Brown Bagging for Calgary's Kids

Through a month-long fundraising campaign, Alberta dairy farmers committed to matching donations of up to $30,000 to provide school lunches. The campaign was part of a long-standing partnership with Brown Bagging for Calgary's Kids (BB4CK) and highlighted the important role of nutritious foods, including dairy, in supporting children's health and learning. The initiative showcased Alberta dairy farmers' commitment to food security and community wellbeing.





DAIRY EDUCATION

Alberta Milk's Dairy Education Program, an interactive consumer experience taking people on the journey from farm to table, delivered activations across numerous events including Calgary Stampede, Aggie Days Calgary, Aggie Days Mountainview, Whoop Up Days, and the Edmonton Valley Zoo.

Edmonton Valley Zoo

Alberta Milk continued its long-standing partnership with the Edmonton Valley Zoo, creating opportunities for visitors to learn more about dairy farming. A key highlight was Alberta Milk Dairy Day, which engaged more than 1,400 visitors through interactive dairy education and product sampling, exceeding event engagement targets.





Calgary Stampede

The Calgary Stampede remained Alberta Milk's flagship activation, bringing together producer volunteers, partners, and event staff to deliver the Milk & Cookies Shack and Journey of Milk booth. The activation raised $20,000 for the Calgary Food Bank through the purchase of milk and cookies, reached more than 188,000 impressions, and distributed 10,000 Alberta Milk branded bandanas. Strong visitor engagement and positive feedback from volunteers, partners, and the public reinforced the dairy industry's connection to the community.









Parades from the Dairy Farm

To support producer efforts to engage with and educate the public about dairy, Alberta Milk supported three producer-led 'Parades from the Dairy Farm' in Innisfail, Olds, and Red Deer during the summer. Alberta Milk is open to supporting parades in all regions of the province when producers take the lead helping with logistics, sourcing dairy products for distribution, and seeking volunteer support. This year, Lactalis also donated 2,200 yogurt pouches, which were distributed to attendees to enhance their experience.



Connecting Products, People, and Purpose

Alberta Milk's marketing and community engagement work demonstrates how every campaign, partnership, and public-facing initiative contributes to a larger goal: strengthening the relationship between our dairy farmers and the people of Alberta. From celebrating everyday moments through *Good Goes a Long Way*, to reinforcing confidence in local food through *Here in Alberta*, to supporting local communities through partnerships, each initiative helped show dairy as both a trusted product and a meaningful part of life in Alberta. Together, these efforts encouraged consumers to choose local dairy products, supported meaningful community initiatives, and created conditions for long-term growth by strengthening demand for dairy products across the province.

DAIRY FARMERS OF CANADA
2025–26 YEAR IN REVIEW

TRADE

CANADA-U.S. TRADE

Trade was the focus of Dairy Farmers of Canada's (DFC) advocacy work over the past year, as Canada prepared for the planned review of the Canada-United States-Mexico Agreement (CUSMA) in 2026.

Throughout all advocacy, DFC remained resolute: no concessions impacting dairy or supply management of any kind.

DFC continuously reinforced this message in its advocacy with key decision makers and stakeholders, through submissions to numerous federal consultations, and as a core priority of the February lobby day. DFC also provided a summer engagement kit to provincial members to help farmers carry this message to their local parliamentarians throughout the summer break.

DFC mobilized farmers and industry members to participate in the government's pre-CUSMA consultations in fall 2025 via a letter-writing campaign called *Our Country. Our Milk*. As a result, the dairy sector accounted for 89 per cent of the submissions received by Global Affairs Canada. The campaign reinforced DFC's formal submission, DFC President David Wiens' testimony before the House of Commons International Trade Committee, and an advocacy campaign aimed at parliamentarians and the public emphasizing supply management's role in supporting Canada's food sovereignty, its economy, and its rural communities.



In July 2026, after the U.S. decided not to extend CUSMA and later announced 50 per cent tariffs on a range of Canadian exports, including dairy, DFC intensified its advocacy efforts to ensure supply management remained protected as Canada re-engaged in trade negotiations. These efforts included another *Our Country. Our Milk* letter-writing campaign, this one open to all Canadians. Nearly 50,000 people sent support letters for Canadian dairy to the Prime Minister and other parliamentarians.

INTERPROVINCIAL TRADE

In collaboration with provincial members, DFC worked closely with officials from multiple government departments to ensure the federal government's efforts to reduce barriers to interprovincial trade would not affect the functioning of supply management.

GOVERNMENT RELATIONS



ACCESS TO VETERINARY HEALTH CARE TOOLS

Sustained advocacy by a DFC-led coalition of stakeholders helped advance solutions to Canada's veterinary drug shortage. In early 2026, Health Canada launched a consultation for using decisions and evaluations from trusted foreign regulators to help speed up veterinary drug approvals. These efforts also resulted in the approval of a short-acting injectable oxytetracycline, a tool dairy farmers and veterinarians were eagerly awaiting.

FEDERAL PLASTICS REGISTRY

DFC advocated to exempt individual farmers from potential single-use reporting requirements under the Federal Plastics Registry. Instead, DFC encouraged practical approaches, such as supplier data, surveys, and pilot projects to support environmental goals while minimizing red tape.

NATIONAL FOOD SECURITY STRATEGY

Announced in June 2026, DFC welcomed the strategy's recognition of supply management as "fundamental to Canadian self-sufficiency for dairy, egg, and poultry products at stable prices," in addition to measures to expand domestic processing capacity, reduce regulatory backlogs, and accelerate access to critical agricultural inputs.

MAINTAINING FUNDING FOR THE NEXT AGRICULTURAL POLICY FRAMEWORK

DFC advocated that the government maintain funding for federally funded programs under the Next Agricultural Policy Framework. These vital programs

- support proAction and DairyTrace
- help fund important research on topics such as human health and nutrition and dairy production and
- support on-farm investments into best management practices that will support dairy farmers as they work towards net-zero.

NATIONAL MARKETING AND CONSUMER ADVOCACY

DFC's marketing efforts were propelled by successive campaigns — *The Canadian Way, Strong and Free and Dairy Dial-in* — all of which featured farmers from across Canada. The campaigns highlighted quality, food sovereignty, and dairy's role in a reliable Canadian food supply and vibrant rural communities. The campaigns strengthened favourability toward dairy farmers, purchase intent and associations with Canadian dairy. Watch the campaigns on YouTube at @DairyfarmersCa.

CHOOSING CANADIAN IS MADE EASY WITH THE BLUE COW QUALITY MILK LOGO

With brand recognition from nine in 10 Canadians, the Blue Cow Quality Milk Logo is a clear, trusted certification that identifies products made with 100 per cent Canadian milk. Over the past year, a record **9,500 products** featured the logo – a number that continues to climb.

SUSTAINABILITY

DFC wrapped up the second round of its on-farm greenhouse gas calculator pilot project in July 2026, with 54 dairy farms across Canada participating. Both rounds of the pilot demonstrated that an on-farm GHG calculator can effectively support on-farm decision-making and holds potential for national sustainability reporting.

NATIONAL NUTRITION

The National Nutrition team informs consumers and healthcare professionals about the importance of dairy in supporting healthy, sustainable diets. This year the national *Simply Nutritious* campaign reached 9.2 million Canadians during March Nutrition Month. The campaign included nutritional information on key dairy products, while custom resources for consumers and health professionals offered credible, practical nutrition tools on calcium and bone health. DFC also hosted 16 virtual farm tours – including four in Alberta – for 839 university students studying nutritional science and agriculture.

NUTRITION AND PRODUCTION RESEARCH

In fall 2025, DFC launched the Canadian Dairy Hub (dairyhub.ca) in collaboration with Lactanet and provincial partners. The Hub provides free science-based information, decision-support tools, and qualified expertise to support continuous improvement across the sector. In addition, the next iteration of the five-year National Dairy Research and Knowledge Transfer Strategy was approved in summer 2026 and will be communicated in the fall.

DAIRY FARMERS OF CANADA
TEACH NUTRITION

BUILDING CONFIDENCE THROUGH NUTRITION EDUCATION

For more than 75 years, Alberta dairy farmers have supported Registered Dietitian-led nutrition education, helping educators understand the role of dairy within Canada's evolving dietary guidance.

Today, Dairy Farmers of Canada's Teach Nutrition program continues this commitment by providing teachers and early learning and childcare professionals with credible, evidence-based nutrition education, practical tools, and classroom resources. Through these connections, Teach Nutrition supports the health and well-being of Canadian families while strengthening positive attitude towards dairy products and awareness of dairy farmers' contribution to their communities.

STRENGTHENING ONE PRAIRIE PROGRAM

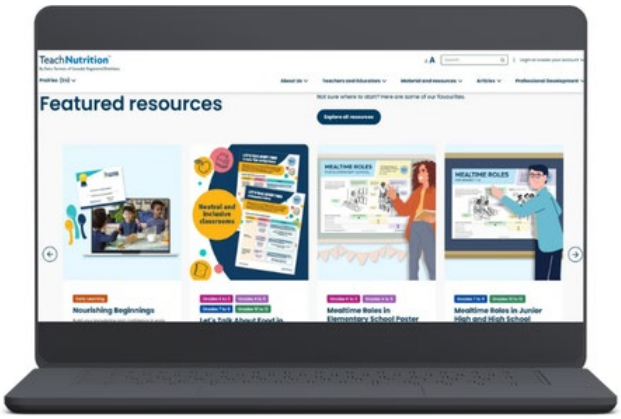
Following the 2024–25 merger of the Nutrition teams in Alberta, Saskatchewan and Manitoba, the focus in 2025–26 was creating a more efficient and integrated Prairie program.

The provincial websites were consolidated into one bilingual Prairie platform: prairies.teachnutrition.ca. This reduced operating and website-management costs while enabling the consolidation of inventory, reducing regional storage requirements, and making better use of available resources.

These efficiencies allowed Teach Nutrition to strengthen its reach in the province while continuing to provide relevant, credible nutrition education. In 2025–26, the program achieved record results for website traffic, articles read, videos viewed, resources downloaded and print resources ordered.

EXPANDING THE REACH IN SCHOOLS

More than 30,000 Teach Nutrition resources were ordered or downloaded for classrooms across the Prairies. Based on an average classroom of 25 students, these resources have the potential to reach approximately 750,000 children and youth. Many print resources remain in classrooms for continued use, extending their impact to future students.

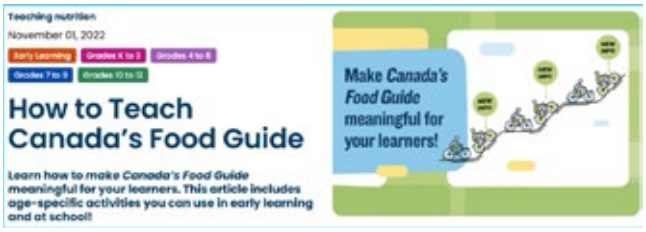


Educators also turned to Teach Nutrition for trusted online information, resulting in over 20,000 views of nutrition education articles. The two most-read articles were *Is Milk Still in Canada's Food Guide*? and *How to Teach Canada's Food Guide*, demonstrating continued educator interest in practical guidance related to Canada's Food Guide and the role of dairy within it.

#1: Is Milk Still in Canada's Food Guide?



#2: How to Teach Canada's Food Guide



In Alberta, the Teach Nutrition team attended 12 teachers' conventions (+32,000 attendees), connecting directly with educators through booths, presentations and workshops. These events led to hundreds of meaningful conversations with Teach Nutrition's staff and engagement with diverse educational resources.



Lindsay Buchanan and Sarah Cahill with an Intern student

Educator feedback reinforced these connections. Participants recognized dairy farmers not only for producing food, but also for investing in younger generations, community health, and nutrition education.

INTRODUCING NEW LEARNING EXPERIENCES

In early 2026, Sharing Food Stories was launched. This was a new program for students in grades 2–7 that helps teachers explore food systems, agriculture and the role dairy farmers play in feeding communities. In its first four weeks, the program generated more than 850 downloads and 250 print orders, alongside very positive stakeholder feedback.





Also introduced was Mercado, an interactive board game adapted from the Quebec Teach Nutrition program. Designed to be student-led and easily incorporated into the classroom, indoor recess, and after-school activities, Mercado makes learning about food and healthy eating habits engaging and accessible for young children.



GROWING EARLY CHILDHOOD IMPACT

Nourishing Beginnings, the free online professional learning program for early learning and child care professionals, continued to grow across the Prairies. The program builds educators' knowledge and confidence in feeding young children and using food as a learning opportunity.

In 2025–26, more than 3,500 early learning educators completed a Nourishing Beginnings module, and 75 per cent of those educators were Alberta-based. As a result of the module's success, the program was expanded to early learning educators in Saskatchewan and Manitoba. More than 6,400 supporting resources were downloaded, with an estimated 88,000 children in care potentially benefiting from educators equipped with Teach Nutrition knowledge and resources.

The Prairie team also began distributing Saturday at the Dragon House, a storybook developed by the Maritimes Nutrition team for early childhood educators. More than 370 copies were distributed to centres since its Prairie introduction, with 230 of those centres in Alberta, creating an ongoing opportunity to engage young children with food and nutrition through storytelling. Together, these results demonstrate how Teach Nutrition is reaching more educators, supporting more learning environments, and strengthening connections between food, nutrition and dairy farming across the Prairies.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025–26, the Alberta Milk Board oversaw the conclusion of their 2024–26 Strategic Plan, which highlighted four Key Result Areas to prioritize over that period. The General Manager is responsible for operationalizing and delivering on each of the key results areas. The Board monitors progress through regular updates and key performance indicator reporting.

The following discussion highlights the key performance indicators that were completed during the two-year strategic plan, as well as those that required additional work in the final year of the plan. The updates below summarize the progress made, results achieved, and any remaining work underway.

PRODUCER ENGAGEMENT

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

- Discussion: In 2026, Alberta Milk continued to implement the recommendations stemming from the Customer Satisfaction survey circulated in 2025. Some of these changes included improved communication about government advocacy efforts, re-circulation of producer-facing tools and resources, and planning for producer webinars on topics of interest to be held in 2026–27. A follow-up survey will be conducted in January 2027.

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

- Discussion: This work is complete. The Board previously introduced an overproduction penalty to penalize producers who contribute to a surplus milk situation. They reviewed data and determined that the number of producers who chronically under-produce milk was not significant enough to introduce underproduction penalties at that time. The Board continues to monitor production and consider what, if any, additional policy tools may be required to improve their ability to deliver milk to processors when and where it is needed.

Producer Compliance: Implement an improved milk quality bonus program in alignment with Western Milk Pool (WMP) partners.

- Discussion: This work was not completed. Although Alberta Milk's Board identified an improved milk quality bonus program as a priority, the initiative did not emerge as a shared priority across the WMP. Alberta Milk will continue to monitor opportunities to advance this work in collaboration with its WMP partners.

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

- Discussion: This work was completed. The Producer Engagement Strategy created new annual engagement opportunities that Alberta Milk plans to continue year over year to strengthen relationships with producers, particularly emerging and younger producers.

COLLABORATION

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

- Discussion: The process to update the P10 Agreement is led by the Canadian Dairy Commission. Alberta Milk worked with its counterparts to finalize the Agreement and ready it for provincial approval. It is anticipated that the P10 Agreement will be approved by all Alberta Signatories by the end of the 2026–27 dairy year.

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

- Discussion: This work was completed. A cost-sharing agreement is in place and is updated annually to reflect new commitments and areas for collaboration. In lieu of a Memorandum of Understanding, a series of Terms of References have been developed to clarify governance processes and roles and responsibilities.

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

- Discussion: This work was completed. Alberta Milk continues to work with its WMP partners to move priority projects forward that improve efficiency and coordination of the regional transportation system.

PROVINCIAL LEADERSHIP

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

- Discussion: This work was completed. A delegate and board training plan was originally approved by the Alberta Milk Board in March 2025, and an updated plan was approved by the Alberta Milk Board in August 2026.

PROCESSING AND PROCESSOR RELATIONSHIPS

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

- Discussion: This work was completed. 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.

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

- Discussion: At the end of the 2024–26 period, Alberta Milk had approved three new milk allocations. Much of the execution of the 2024–26 Strategic Plan occurred during times of political uncertainty (both provincially, nationally, and internationally), which impacted the readiness of processors to invest and grow their business. In the 2026–29 Strategic Plan, Alberta Milk will continue to look for ways to encourage processors to invest in Alberta to grow regional processing capacity, and support small- and medium-sized processors to be successful.

LOOKING FORWARD

Looking ahead, Alberta Milk will continue to focus on partnerships that strengthen the industry and deliver value for producers. This includes working closely with Western Milk Pool partners to advance shared priorities, align policies where it makes sense, make better use of collective resources, and identify efficiencies across the region. As more industry challenges and opportunities extend beyond provincial borders, strong interprovincial and national collaboration will remain essential. Alberta Milk will also continue to build constructive relationships with processors and haulers, working together on areas of mutual interest that support a strong, responsive dairy sector in Alberta.



FINANCIAL REPORTING

Alberta Milk's management team is responsible for the financial statements and all information within 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. 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, 2026, should be read in conjunction with the financial statements.

Annual milk volumes were four percent lower than those projected when the budget was created, resulting in slightly decreased 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 to 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 $5,345,334. The overall excess of revenues over expenses for the year was $1,689,155 higher than budgeted, resulting from lower spending on certain market development, information technology, communications, and research initiatives, primarily due to timing differences, together with higher investment income.

On the statement of financial position, the investment in the company subject to significant influence changed during the year because of dividends received, additional share purchases, and the recognition of DIW Buildings & Land Corporation (DBLC)'s earnings. Please refer to the notes of 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, 2026, 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, 2026, 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.

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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 20, 2026

Chartered Professional Accountants

Alberta Milk

Statement of Operations

For the Year Ended July 31, 2026

	MNE	Quota Exchange	Research	Scholarship	Other	**2025-26 Total**	2024-25 Total
Revenues:							
Administrative Assessment (Note 5)	$ -	$ -	$ -	$ -	$ 6,868,654	**$ 6,868,654**	$ 6,953,892
Grant Revenue (Note 9)	16,625	-	-	-	27,563	**44,188**	99,000
Investment Income (Note 7)	-	-	-	13,293	1,330,736	**1,344,029**	1,489,956
Marketing and Nutrition Education (MNE) Assessment (Note 5)	13,041,760	-	-	-	-	**13,041,760**	13,203,606
Other Income	15,727	-	-	-	1,107,439	**1,123,166**	2,018,719
Producer Payment Pool Revenue (Note 10)	-	-	-	-	905,390,818	**905,390,818**	919,005,530
Quota Exchange Sales (Note 4)	-	80,345,334	-	-	-	**80,345,334**	88,682,916
Quota Lease	-	-	285,601	-	-	**285,601**	112,111
Research Assessment (Note 5)	-	-	434,726	-	-	**434,726**	440,121
Transportation Pool Revenue (Notes 5 and 10)	-	-	-	-	58,524,703	**58,524,703**	53,774,248
Total Revenues	13,074,112	80,345,334	720,327	13,293	973,249,914	**1,067,402,980**	1,085,780,099
Expenses:							
Advertising and market development activities	11,326,995	-	-	-	-	**11,326,995**	12,676,537
Depreciation and Write-Offs	2,907	-	-	-	259,795	**262,703**	319,823
Director and Delegate Per Diems	375	-	-	-	371,265	**371,640**	295,020
Grants	-	-	557,787	-	14,086	**571,873**	500,384
Hauling Fees	-	-	-	-	57,916,576	**57,916,576**	53,105,371
Information Technology	-	-	-	-	1,202,013	**1,202,013**	1,229,696
Meeting Costs	-	-	-	-	458,534	**458,534**	395,479
Office	70,647	-	-	-	1,739,454	**1,810,101**	1,483,105
Producer Payment Pool Expenses (Note 10)	-	-	-	-	905,390,818	**905,390,818**	919,005,530
Professional Fees	-	-	-	-	381,188	**381,188**	467,531
Quota Exchange Purchases (Note 4)	-	80,345,334	-	-	-	**80,345,334**	88,682,916
Salaries and Contract Services	109,809	-	-	-	4,104,032	**4,213,841**	4,194,680
Sponsorships	322,204	-	-	1,000	13,881	**337,085**	376,957
Travel	4,917	-	-	-	362,976	**367,893**	377,723
Total Expenses	11,837,854	80,345,334	557,787	1,000	972,214,619	**1,064,956,593**	1,083,110,753
Excess of Revenues over Expenses	$ 1,236,258	$ -	$ 162,540	$ 12,293	$ 1,035,296	**$ 2,446,387**	$ 2,669,346

See accompanying notes and schedules to the financial statements.

Alberta Milk
Statement of Financial Position
As at July 31, 2026

		July 31, 2026		July 31, 2025
Assets				
Current Assets:				
Cash and Cash Equivalents	**$**	**30,269,956**	$	25,391,955
Investments (Note 6)		**3,648,820**		3,272,670
Due from Processors, Producers, and Others		**41,990,320**		40,501,946
Transportation Pool Receivables (Note 10)		**3,115,998**		167,374
Accounts Receivable (Note 12)		**404,099**		1,389,610
Prepaid Expenses and Deposits		**626,170**		251,863
Total Current Assets		**80,055,363**		70,975,417
Company Subject to Significant Influence (Note 14)		**15,019,571**		13,979,269
Capital Assets (Note 8)		**3,029,246**		3,183,815
Total	**$**	**98,104,179**	$	88,138,500
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	**$**	**5,188,406**	$	7,481,507
Producer Payment Pool (Note 10)		**61,864,488**		51,462,487
Deferred Grants (Note 9)		**617**		49,672
Current Portion of Long-Term Debt (Note 11)		**615,783**		527,506
Total Current Liabilities		**67,669,295**		59,521,171
Long-Term Debt (Note 11)		**10,520,880**		11,149,712
Net Assets:				
Internally Restricted:				
Marketing and Nutrition Education (MNE)		**8,763,292**		7,527,034
Quota Exchange (Note 4)		**1,064,084**		1,064,084
Research		**715,378**		552,838
Scholarship		**163,954**		151,661
Invested in Capital Assets		**3,029,246**		3,183,815
Unrestricted		**6,178,050**		4,988,185
Total Net Assets		**19,914,004**		17,467,617
Total	**$**	**98,104,179**	$	88,138,500

Commitments (Note 13)

Approved on Behalf of the Board:

Dave Morey

Michael Vanden Dool

See accompanying notes and schedules to the financial statements.

Alberta Milk

Statement of Changes in Net Assets

For the Year Ended July 31, 2026

	Internally Restricted							
	MNE	Quota Exchange	Research	Scholarship	Invested in Capital Assets	Unrestricted	**2025-26 Total**	2024-25 Total
Net Assets at Beginning 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
Changes in Net Assets During the Year:								
Excess of Revenues over Expenses	-	-	-	-	-	2,446,387	**2,446,387**	2,669,346
Transfer to Internally Restricted	1,236,258	-	162,540	12,293		(1,411,091)	**-**	-
Purchases of Capital Assets	-	-	-	-	112,134	(112,134)	**-**	-
Disposal of Capital Assets	-	-	-	-	(2,760)	2,760	**-**	-
Depreciation of Capital Assets	-	-	-	-	(263,943)	263,943	**-**	-
Pension Remeasurements and Other Items (Note 12)	-	-	-	-	-		**-**	(816,000)
Total Changes in Net Assets During the Year	1,236,258	-	162,540	12,293	(154,570)	1,189,865	**2,446,387**	1,853,346
Net Assets at End of the Year	$ 8,763,292	$ 1,064,084	$ 715,378	$ 163,954	$ 3,029,246	$ 6,178,050	**$ 19,914,004**	$ 17,467,616

See accompanying notes and schedules to the financial statements.

Alberta Milk

Statement of Cash Flows

For the Year Ended July 31, 2026

	2025-26	2024-25
Cash at Beginning of the Year	**$ 25,391,955**	$ 25,061,272
Cash Provided by (Used for) Operating Activities:		
Excess of Revenues over Expenses for the Year	**2,446,387**	2,669,346
Items Not Affecting Cash Flow:		
Depreciation and Losses on Capital Asset Disposals	**262,703**	319,823
Pension Remeasurements and Other Items (Note 12)	**-**	(816,000)
Net Increase in Cash and Cash Equivalents and Investments from Changes in Fair Value and Foreign Exchange Rates (Note 7)	**(293,443)**	(162,273)
Investment Income and Receivables Reinvested Directly	**(68,188)**	(81,099)
Income from Company Subject to Significant Influence (Note 14)	**(1,210,451)**	(177)
Changes in Non-Cash Working Capital Items:		
Due from Processors, Producers and Others	**(1,488,374)**	(2,402,754)
Accounts Receivable	**985,511**	353,440
Prepaid Expenses and Deposits	**(374,307)**	(163,466)
Accounts Payable and Accrued Liabilities	**(2,293,100)**	(1,942,398)
Producer Payment Pool and Transportation Pool Liabilities (Note 10)	**10,402,001**	4,291,338
Transportation Pool Receivables (Note 10)	**(2,948,624)**	(167,374)
Deferred Grants (Note 9)	**(49,055)**	(72,979)
Net Cash from Operating Activities	**5,371,060**	1,825,427
Cash Provided by (Used (for) from) Financing Activities:		
Long-Term Debt Acquired (Note 11)	**-**	2,367,274
Long-Term Debt Repaid (Note 11)	**(540,554)**	(44,279)
Net Cash for Financing Activities	**(540,554)**	2,322,995
Cash Provided by (Used for) Investing Activities:		
Purchases of Capital Assets	**(112,134)**	(14,786)
Purchases of Investments	**(223,912)**	(330,436)
Dividends received from Company Subject to Significant Influence (Note 14)	**952,375**	-
Purchases of Shares of Company Subject to Significant Influence (Note 14)	**(782,225)**	(3,775,278)
Proceeds from Sales and Redemptions of Investments	**192,926**	287,969
Net Cash from (for) Investing Activities	**27,030**	(3,832,531)
Effects of Foreign Exchange Rate Changes	**20,466**	14,792
Cash at End of the Year	**$ 30,269,956**	**$ 25,391,955**

See accompanying notes and schedule to the financial statements.

Alberta Milk

Notes to the Financial Statements

For the Year Ended July 31, 2026

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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.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held with financial institutions and highly liquid investments maturing in three months or less.

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

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, 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:

	2026	2025
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	**$3.86/hl**	$4.20/hl
Hauling – yard charge (per pickup)	**$27.31**	$29.68

6. Investments:

	2026	2025
Fixed income	**$ 297,363**	$ 331,498
Equities	**1,844,506**	1,562,207
Mutual funds	**1,440,432**	1,339,573
Other	**66,519**	39,392
	$ 3,648,820	$ 3,272,670

7. Investment Income:

	2026	2025
Interest and dividend income	**$ 1,077,253**	$ 1,352,535
Net increase in cash and cash equivalents and investments from changes in fair value and foreign exchange rates	**293,443**	162,273
Investment management fees	**(26,668)**	(24,852)
	$ 1,344,028	$ 1,489,956

8. Capital Assets:

	Cost	Accumulated Amortization	2026 **Net Book Value**	2025 Net Book Value
Building	$ 4,204,990	$ 1,911,373	**$ 2,293,617**	$ 2,321,712
Computer hardware	947,061	869,276	**77,785**	102,473
Computer software	3,028,260	2,801,395	**226,865**	324,092
Consumer displays	287,678	280,894	**6,784**	12,450
Land	385,175	-	**385,175**	385,175
Office furniture and equipment	456,226	417,205	**39,020**	37,913
	$ 9,309,390	$ 6,280,143	**$ 3,029,246**	$ 3,183,815

9. Grants:

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

	2026	2025
Deferred grants at beginning of year	**$ 49,672**	$ 122,651
Grant revenue earned	**(44,188)**	(99,000)
Grant funds received	**(4,867)**	26,021
Deferred grants at end of year	**$ 617**	$ 49,672

10. Producer Payment Pool and Transportation Pool:

Producer payment pool and transportation pool liabilities include the following:

	2026	2025
Producer payment pool accounts payable	**$ 43,514,601**	$ 39,539,081
Transportation pool accounts payable	**4,602,880**	4,900,859
Producer payment pool balance	**13,747,007**	7,022,547
	$ 61,864,488	$ 51,462,487

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 deficit has been presented in current assets.

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:

		2026		2025
Producer payment pool balance at beginning of year	**$**	**7,022,547**	$	4,505,079
Amounts collected from processors		**912,115,278**		921,522,998
Producer payment pool expenses		**(905,390,818)**		(919,005,530)
Producer payment pool balance at end of the year	**$**	**13,747,007**	$	7,022,547

The transportation pool receivable has changed as follows:

		2026		2025
Transportation pool receivable at beginning of year	**$**	**(167,374)**	$	(324,499)
Transportation fees collected from producers		**43,126,720**		44,969,485
Transportation pool recoveries		**12,439,319**		13,820,426
Transportation pool expenses		**(58,514,663)**		(58,632,786)
Transportation pool receivable at end of year	**$**	**(3,115,998)**	$	(167,374)

Total transportation pool expenses net of recoveries per hectolitre were $5.30 (2025 - $5.09).

11. Long-Term Debt:

	2026	2025
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. The mortgage was renewed effective October 2026, at a fixed interest rate of 5.201%	**$ 543,723**	$ 589,218
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% which was 4.10% as at July 31, 2026 (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.	**10,592,940**	11,088,000
Less amounts due within one year	**(615,783)**	(527,506)
Total long-term debt	**$ 10,520,880**	$ 11,149,712

Security for the mortgage payable includes the land and building with a combined net carrying amount of $2,678,792, as well as a general security agreement. Subsequent to year end, the mortgage payable was renewed for an additional 5 years at an annual interest rate of 5.201%. 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:

2027	$ 615,783
2028	637,991
2029	666,234
2030	690,356
2031	718,473
Thereafter	7,807,826
Total	$ 11,136,663

12. Pensions:

Effective January 1, 2025, the Board signed a Memorandum of Agreement to join the CAAT Plan. As a result of this agreement, the Alberta Milk Employees Pensions Plan (the "Plan") was frozen and all future service accruals ceased for all participants. All members participate in the CAAT Plan in respect of future pension service accruals on and after January 1, 2025. On September 2, 2025, 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, 2026

indicated an actuarial surplus of $6,749,000,000 (January 1, 2025 - $6,141,000,000). During the year, the Board made contributions to the CAAT Plan of $333,712 (2025 - $130,619) which has been included in salaries and contract services in the statement of operations
Disclosures relating to the Plan are as follows:

	2026	2025
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 2,750,000**	$ 3,344,000
Employer service cost	**-**	98,000
Employee contribution	**-**	68,000
Interest cost	**10,000**	153,000
Plan amendments	**-**	(772,000)
Benefits paid	**-**	(141,000)
Settlement gain	**(2,760,000)**	-
Benefit obligation at end of year	**$ -**	$ 2,750,000
Change in plan assets		
Fair value of plan assets at beginning of year	**$ 5,116,000**	$ 4,681,000
Interest cost	**19,000**	211,000
Actual return on plan assets less interest cost	**35,000**	227,000
Company contribution	**-**	70,000
Employee contribution	**-**	68,000
Benefits paid	**-**	(141,000)
Settlement	**(5,170,000)**	-
Fair value of plan assets at end of year	**$ -**	$ 5,116,000

Reconciliation of funded status			
Benefit obligation	**$**	**-**	$ (2,750,000)
Plan assets		**-**	5,116,000
Funded status		**-**	2,366,000
Valuation allowance		**-**	(1,815,000)
Defined benefit asset	**$**	**-**	$ 551,000
Defined benefit cost			
Employer service cost	**$**	**-**	$ 98,000
Interest cost on benefit obligation		**10,000**	153,000
Interest cost on plan assets		**(19,000)**	(211,000)
Defined benefit cost	**$**	**(9,000)**	$ 40,000
Remeasurements and other items			
Actual return on plan assets less interest cost	**$**	**-**	$ (227,000)
Plan amendment		**-**	(772,000)
Valuation allowance		**-**	1,815,000
Settlement gain		**-**	-
Total remeasurements and other items	**$**	**-**	$ 816,000
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**	n/a
Annual inflation rate		**n/a**	2.00%
Termination table		**Nil**	Nil

13. Commitments:

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

2026-27	$	7,876
2027-28		8,938
2028-29		8,938
2029-30		7,861
2030-31		4,631
Total	$	38,244

The Board has a budgeted commitment of $7,548,107 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 156,445 (2025 – 755,056) class A common shares at a cost of $782,225 (2025 - $3,775,278), and the Board's income from DBLC under the equity method was $1,458,283 (2025 - $247,655). DBLC also paid the Board dividends throughout the year which totalled $952,375 (2025 - $nil). 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.

16. Comparative Figure:

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2025 financial statements.

Alberta Milk
Schedule of Revenues and Expenses by Core Function (Unaudited)
For the Year Ended July 31, 2026

	2025-26 Total	2025-26 Budget	2024-25 Total
Revenues:			
Administrative Assessment (Note 5)	**$ 6,868,654**	$ 7,160,810	$ 6,953,892
Grant Revenue (Note 9)	**44,188**	-	99,000
Investment Income (Note 7)	**1,344,029**	1,005,000	1,489,956
Marketing and Nutrition Education (MNE) Assessment (Note 5)	**13,041,760**	13,596,476	13,203,606
Other Income	**1,123,166**	392,400	2,018,719
Producer Payment Pool Revenue (Note 10)	**905,390,818**	951,753,293	919,005,530
Quota Exchange Sales (Note 4)	**80,345,334**	75,000,000	88,682,916
Quota Lease	**285,601**	550,000	112,111
Research Assessment (Note 5)	**434,726**	453,216	440,121
Transportation Pool Revenue (Notes 5 and 10)	**58,524,703**	60,284,420	53,774,248
Total Revenues	**1,067,402,980**	1,110,195,616	1,085,780,099
Expenses by Core Function:			
Governance and Producer Engagement	**1,545,783**	1,761,338	1,608,753
Marketing and Nutrition Education (MNE)	**11,837,854**	13,367,856	13,424,191
Operations	**4,293,280**	3,902,415	3,734,088
Producer Payment Pool Expenses (Note 10)	**905,390,818**	951,753,293	919,005,530
Producer Services	**1,077,768**	1,323,807	1,297,441
Quota Exchange Purchases (Note 4)	**80,345,334**	75,000,000	88,682,916
Research and Extension	**750,024**	1,216,385	750,822
Stakeholder Relations	**1,191,029**	828,869	832,764
Transportation Pool Expenses (Note 10)	**58,524,703**	60,284,420	53,774,248
Total Expenses	**1,064,956,593**	1,109,438,383	1,083,110,753
Excess of Revenues over Expenses	**$ 2,446,387**	$ 757,232	$ 2,669,346



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