

2023-2024 Annual Report

Sask**milk**





Our Vision

Better together for Canadian Dairy

Our Mission

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

Board of Directors 2023-2024



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Chair Report

I am pleased to report to you the activities your Board has been working towards in the last dairy year.

Nationally

Working together on a national level has remained a priority. Discussions have continued on the Market Growth Program (MGP) as well as some other files to further the dairy market in our country. Good work was accomplished at the national level and efforts will continue into the next dairy year.

Western Milk Pool

This past dairy year has seen further efforts in aligning the five western dairy boards, BC Dairy, BC Milk Marketing Board, Alberta Milk, SaskMilk and Dairy Farmers of Manitoba to better serve producers. Boards and staff collaborated with provincial supervisory bodies to further the goal of the Western Milk Pool (WMP). While more work is required, the SaskMilk Board remains committed to working with our provincial counterparts to establish an efficient, sustainable working model to benefit generations to come. With that said, our producers here at home can feel confident that Saskatchewan's voice is heard at the table and that the best interests of producers remain our top priority.

Provincially

At SaskMilk, our Board has been dedicated over the past year to listening to our producers and identifying solutions for current challenges. This has included supporting our Dairy Entrant Assistance Program (DEAP) producers, reviewing policy, and reflecting on our current governance to ensure that leadership in this industry is conducted effectively and responsibly. This commitment prompted the development of a new, thorough governance policy that will be approved in the coming months.

Processor relationships have been highlighted and will continue to be a focus for the SaskMilk Board moving forward. We are pleased to have a good relationship with Saputo, our large processor in Saskatchewan, and are looking forward to strengthening our relationship – including a planned meeting with the Saputo team and SaskMilk Board in the coming months.

Working together has proven to be beneficial over the past year and I greatly appreciate the work done by my fellow directors and SaskMilk staff to listen and act on producer concerns. Efforts to secure a future for our industry both provincially and nationally will continue as we look forward to this next year and the opportunities to come.

Respectfully,
Gordon Ell
Chair

General Manager's and Executive Director Report

Important work continues in the Western Milk Pool (WMP). In the Spring of 2024, the WMP supervisory boards prompted a shift that will see a departure from transformation and centralized decision-making to a focus on independent organizations collaborating under an agreed-upon configuration. Although each province will maintain decision-making authority, the western dairy organizations continue to believe in western unity as a step towards national unity, and proudly retain the original WMP vision - 'Better Together for Canadian Dairy'. Thinking bigger and finding the win-win opportunities based on decisions made with well-researched facts is our way of operating. We are excited to move forward knowing that this approach can and will serve producers better.

Overall quality results improved over the previous dairy year. A great job by all producers to achieve this. Our farm inspections/visits also continued this year allowing us a vital direct connection with producers.

Dairy Innovation West (DIW), the milk concentration plant planned for Blackfalds, Alberta, is a new facility that will accommodate milk and will use reverse osmosis (RO) and ultrafiltration (UF) to make RO concentrated whole milk, RO concentrated skim milk, UF whole and skim milk, milk protein isolate concentrates (important for cheesemaking), milk permeate concentrate and cream. Construction progressed as planned in 2024. We are very pleased to work collaboratively on this project with Pacific Process (General Contractor), Vitalus Nutrition Inc. (plant operator and preconstruction management) and Farm Credit Canada (financer). This plant is scheduled to be completed and operating by the Spring of 2025.

This past year we have seen some positive signs for producers. Interest rates have started to come down and economists are predicting more decreases as the year progresses. Canadian requirements have started to improve this past dairy year. Incentive days for late summer, fall, and quota increases have been due to fluid sales increases, demand coming back to pre-covid, and population increases.

The staff at SaskMilk continues to work hard to keep the right balance between implementing Board policies and showing flexibility when possible.

SaskMilk staff are proud to be part of the western Canadian dairy industry and look forward to continuing to work collaboratively with producers in Saskatchewan and the west.

Doug Miller, General Manager

Teresa Florizone, Executive Director





Dairy Farmers of Canada 2023-2024 Year in Review

Alongside our advocacy and government relations work nationally, Dairy Farmers of Canada (DFC) regularly supports provincial organizations like SaskMilk to streamline their activities, assisting them in the development and implementation of regional programs that help broaden engagement with local consumers. We are proud to offer here some highlights from our shared successes this past year.

Advocacy, Policy & Trade

Bill C-282

In the past year, DFC's advocacy efforts have helped make significant progress on Bill C-282, An Act to Amend the Department of Foreign Affairs, Trade and Development Act, which would remove supply management from future trade negotiations. DFC, along with provincial dairy associations and the other supply-managed organizations, has been actively engaging with parliamentarians on this bill. In April 2024, the Bill passed second reading in the Senate. In partnership with other supply-managed organizations, DFC initiated a digital-writing campaign to assist farmers in sending more than 38,000 letters to senators. The bill is currently being studied by the Standing Senate Committee on Foreign Affairs and International Trade.

Front-of-Package Labelling Following continued advocacy by DFC, significant additional evidence-based exemptions were granted to nutritious dairy products from Health Canada's front-of-package labelling policy. Health Canada estimates that these new exemptions will further reduce the impact of this policy on fine and fresh cheeses, bringing the total down from 51% to just 6% needing to carry a front-of-package label.

Marketing to Kids

DFC is awaiting the publication of proposed regulations that would restrict the marketing of certain food and beverages to children. While they were initially planned to be published in spring 2024, there is no timeline currently for publication. To avoid any unintended consequences on nutritious dairy products, and given the similarities between the policies, DFC expects the government to provide the same evidence-based

DFC 2023-24 (continued)

exemptions as those granted in the context of front-of-package labelling. DFC will not rest its advocacy efforts until these exemptions are recognized and the potential impact of this proposed policy on nutritious dairy products is mitigated.

Vitamin D

Following joint advocacy by DFC and DPAC, Health Canada announced that they will now permit the voluntary fortification of yogurt, drinkable yogurt, and kefir made from dairy products with vitamin D. This will enable the majority of these products to make the claim that they are an “excellent source” of vitamin D on their packaging.

Access and Approval of Antimicrobials and Alternatives

Improved access to veterinary health products is of great concern for dairy farmers and DFC is actively engaged in broader AMR strategy discussions at both the national and international levels. In all DFC’s regulatory submissions related to antimicrobials and alternatives, DFC stressed the urgent need to improve access to a wide variety of veterinary health products in Canada. DFC also pointed to the work already being done under proAction® to highlight dairy farmers’ commitment to prudent antimicrobial use, and other efforts to ensure the health and wellbeing of animals on Canadian dairy farms. DFC has worked in close collaboration with agricultural stakeholders from across the sector to produce a whitepaper outlining consensus solutions which will form the basis of joint advocacy to improve access to these products.

CUSMA Panel & Review

In a positive outcome for Canadian dairy farmers, the Canada-United States-Mexico Agreement (CUSMA) second panel issued its findings in November 2023, ultimately dismissing all claims brought by the United States regarding Canada’s Trade Rate Quota (TRQ) administration. This decision represents a clear victory for Canada, upholding its right to manage TRQs in a way that supports our supply management system for dairy products. In May 2024, the House of Commons Standing Committee on International Trade (CIIT) initiated a study to examine the upcoming review of CUSMA. DFC appeared as a witness before the committee to bring forward concerns regarding the review. In addition, DFC told the committee that the review process should not be used by the United States to relitigate the most recent panel decision and overriding the panel decision through the review would call the whole agreement into question. Finally, while DFC respects Canada’s position of not reopening the agreement, if one of the other signatories were to seek gains from the review, the Canadian government should pursue the elimination of the surcharge on certain dairy exports.

CPTPP Panel

Released in September 2023, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) panel report found Canada’s TRQ administration largely compliant with the agreement. However, the panel did identify one specific area – the use of reserved pools of eligible applicant – as being inconsistent with CPTPP obligations. The Canadian government has since brought the system into compliance based on the modifications made following the CUSMA #1 panel, which were confirmed to be in compliance in the CUSMA #2 panel.

DFC 2023-24 (continued)

Canada-United Kingdom Bilateral Negotiations

Negotiations stalled on Canada and the United Kingdom's trade agreement in January 2024. The UK's desire for access to Canada's dairy market was strongly opposed by DFC and the Government of Canada supported our position. Beyond dairy, disputes over beef, pork, autos, nontariff barriers, and the trade of goods and services further complicated the talks and ultimately led to the halt of negotiations.

proAction® & Animal Care

As of September 2023, every farm in Canada has been validated on the Environment module, the sixth proAction module to be fully implemented, marking the final stage in the 10-year plan to implement the complete program. As we move into our next decade of proAction, the Animal Care Technical Committee has been working diligently to incorporate new requirements from the updated Code of Practice for the Care and Handling of Dairy Cattle (March 2023) into the Animal Care module. DFC, together with the provincial dairy associations, is planning an on-farm pilot to test the requirements this winter. DFC is in the final year of a three-year project to conduct a third-party management audit of proAction including the national office, provincial offices, IT controls and validators at the farm-level. The project is identifying opportunities for improvement to strengthen the credibility and consistency of proAction's management.

Sustainability

DFC remains committed to sustainability through our Net-Zero Strategy and Best Management Practices (BMP) Guide to Mitigate Emissions on Dairy Farms, both of which are available for download at dairyfarmersofcanada.ca. These frameworks underpin our efforts to advance environmental stewardship within the Canadian dairy sector on our pathway to net zero. Recent activities include:

- Partnerships were identified as foundational to our progress on reaching net zero and DFC worked alongside Farm Credit Canada (FCC) and Starbucks Canada to help advance our sustainability efforts. Along with DFC and Lactanet, FCC created a \$2,000 annual sustainability incentive program for eligible FCC customers. The program completed its first year at the end of 2023 with many farmers successfully receiving the incentive. The program re-launched for a second cycle in May 2024, with Starbucks joining the partnership and providing two additional incentives of \$1,000 to eligible applicants.
- As part of DFC's Here for Tomorrow partnerships program, we have engaged with organizations like Tree Canada, Ducks Unlimited Canada, ALUS, Bioenterprise and Cleanfarms. Through these partnerships, DFC is investing in research to support the next generation of farmers, while actively managing and restoring ecosystems to protect the natural environment. DFC is helping to demonstrate dairy farmers' commitment to a more sustainable future across the entire agricultural value chain.

- DFC has developed a process to benchmark proAction to other sustainability programs and has completed a benchmarking exercise with three programs: one domestic (Canadian Roundtable for Sustainable Beef), one international (US FARM program), and one private (Starbuck's Sustainable Dairy Program). The next steps in this project are to evaluate common areas of agreement, as well as gaps and opportunities for improvement.
- Enhancing economic opportunities is key to DFC's sustainability journey and this past year, DFC developed farmer resources to support questions being asked about carbon inset and offset markets. DFC also undertook a study to look at which BMPs in our guide for farmers require further incentives to advance adoption.

Marketing & Business Stakeholder Relations (BSR)

DFC's award-winning campaigns, digital innovations and activations reached a combined audience of 63 million over the past year. Focused on nurturing deeper connections with the Blue Cow Logo and what it stands for, as well as creating a social licence for the production and consumption of dairy, our efforts have been recognized worldwide. DFC's Blue Cow Logo campaigns are specifically focused on two main audiences: Canadians who love dairy but have questions about sustainability, animal care and standards, and Young Millennials and Generation Z consumers (YMGZ).

Blue Cow Program: Biodiversity & "What's Behind the Blue Cow Logo" campaigns

Building on the momentum of our "Net Zero by 2050 – We're In" campaign, our 2023 fall Blue Cow campaign focused on educating consumers on the practices farmers are implementing that contribute to achieving the sector's overall sustainability objectives. By promoting biodiversity on Canadian dairy farms, farmers showed the tangible steps they are taking towards net zero.

DFC's "What's Behind the Blue Cow Logo" campaign built shone a light on the sustainability, animal care, and high standards that underpin the Blue Cow Logo. For the first time, various stakeholders in the Blue Cow Logo Certification program were able to have their products integrated into our advertising to seamlessly connect the logo with consumers.

Marketing to Millennials: Daisy, the "Cow-Fluencer"

2023 marked Daisy's second year on TikTok, garnering more than 58 million views and almost 140,000 likes across all posts since her creation. Daisy the "cow-fluencer" was created to engage with a younger audience, and was most recently used to adapt our Behind the Blue Cow logo into a game.

Cineplex Cinemas

In addition to our ongoing presence in Cineplex cinemas throughout 2023, allowing us to reach almost 45 million attendees, including our YMGZ audience. Our successful contest on social media with influencers across Canada resulted in over 1 million views.

DFC 2022-23 (continued)

Leveraging the Blue Cow Logo

One of the top three most trusted and influential certification logos in Canada (according to third-party research), DFC's Blue Cow Logo stands for high quality, animal care and sustainability. Backed up by the stringent standards of DFC's proAction® program, the Blue Cow Logo is recognized by 8 out of 10 Canadians and adds value to almost 9,000 dairy products nationwide.

In February 2024, DFC and Lactalis Canada were pleased to share that DFC's iconic Blue Cow logo will appear on Lactantia butter products – the country's most prominent brand of butter.

More Goodness Rewards Program

DFC's More Goodness rewards program launched in March 2024 to leverage the strength of the Blue Cow Logo by building loyalty, driving sales, increasing brand affinity and promoting Canadian dairy. In the first three months alone, we acquired approximately 50,000 members, with a robust growth plan going forward.

National Nutrition

Through various education programs and partnerships, DFC's National Nutrition team provides insight, scientific support, education and communication to consumers, as well as to future and practicing dietitians. Our goal is to build support and understanding of the nutritional and health benefits of dairy products in healthy, sustainable diets.


A new ongoing social media content campaign, including the video series Nutritionally Speaking, was introduced, targeting consumers and dietitians, and featuring various nutrition and health topics to further the knowledge of the role dairy products play in health, nutrition and sustainable diets. The campaign reached close to 550,000 healthcare professionals and 16 million consumers.

Nutrition Month & Virtual Farm Tours

During Nutrition Month in March 2024, DFC highlighted the importance of milk products in a healthy, sustainable diet through a partnership with Dietitians of Canada. The DFC campaign reached 8.7 million Canadians, generating 39.5 million media impressions through social with direct-to-consumer content and dietitian influencers. Dairy farm virtual tours were again organized for students in dietetics, nutritional sciences and sustainability, reaching close to 500 participants. Students gained a deeper understanding of how Canadian dairy farmers care for their animals, along with their collective efforts and commitment to reduce the sector's impact on the environment.

Research & Innovation

The Canadian dairy sector has always been a global leader in research and innovation, and DFC has invested millions over the past quarter century to foster innovation, increase farm efficiency and sustainability, enhance animal health and care practices, improve milk quality, and strengthen the understanding of the role of dairy in human

A close-up photograph of a glass of milk and a pitcher of milk. The glass is in the foreground, filled with white milk. The pitcher is behind it, also filled with milk. The background is a soft, out-of-focus blue and white, suggesting a clean, modern setting.

nutrition and health. Over the past year we supported 46 ongoing research projects and worked with 31 research institutions, 150 scientists, and 110 students at the graduate and doctoral levels.

Dairy Research Cluster 4

In June 2023, AAFC approved the Dairy Research Cluster 4 under the Agri-Science program of the AAFC's new Sustainable Canadian Agricultural Partnership (SCAP) covering the period from April 1, 2023, to March 31, 2028. The Dairy Research Cluster 4 is a new partnership research program between AAFC, DFC, DairyGen and Novalait, with a total budget of \$13 million. During the five years of the program, 13 research activities will be conducted by more than 85 Canadian scientists on the topics of GHG reduction, carbon sequestration and climate change adaptation, AMU and AMR, animal health, genetic improvement, processing, and the health benefits of dairy products relating to osteoporosis.

Knowledge Translation and Transfer

As part of our results sharing strategy for Dairy Research Cluster 3, DFC launched new online resources on animal health and antimicrobial stewardship, cow comfort and welfare, environmental sustainability, forages and crops, genetic improvement, and herd management. These resources were developed in collaboration with our communications partner, ACER Consulting, and research teams across the country. DFC also launched a National Knowledge Transfer in Dairy Production Project in 2023, which is planned to run for three years. Through this project, DFC will work with Lactanet to develop and implement a national knowledge transfer structure to accelerate the awareness and adoption of best practices and innovations on Canadian dairy farms.

SaskMilk Regional Services Agreement 2023-2024

Following a highly successful 2022-2023, which saw the launch of the Saskatchewan Nutrition Program in January 2023 and the introduction of a comprehensive portfolio for teachers, we experienced significant growth in 2024 with the addition of offerings for more grades and Early Childhood Education (ECE). This growth was achieved by leveraging DFC's existing Teach Nutrition programming from other regions, which allowed for great success having resources for all grades from Alberta, Manitoba or other DFC regional teams by the end of 2023 and for ECE in 2024.

The first quarter of 2024 saw the reorganization of the three provinces in the Prairies to combine efforts as a joint west nutrition program; this offers increased efficiencies, regional offerings and more effective reach to all audiences. This is particularly significant for Saskatchewan, as this expanded team can support workshops, manage resources, develop and maintain the website, and engage with stakeholders. With this increased capacity, Saskatchewan was able to rapidly expand its program offerings in 2024, achieving growth more quickly than planned.

Teach Nutrition resources from other DFC regions introduced to Saskatchewan in 2023-2024 include:

- *Mealtime Roles* posters (ECE)
- *Saturday at the Dragon House* (book - ECE, K-3)
- *Felix the Farmer* class resource and activities (ECE, K-3)
- *Food Bingo* (K-12)
- *Feeding Canada* video series and lesson plans, now available across the prairie provinces and Maritimes (7-12)
- *A Guided Discovery of Canada's Food Guide* series and lesson plans (4-9)
- Numerous popular articles including:
 - o *Is milk still in the Canada's Food Guide?*
 - o *How to teach Canada's Food Guide*
 - o *Top three reasons to teach nutrition*
 - o *Curious Cook* video series (ECE, K-3)

Resource uptake and student reach

June 2023 – May 2024	Q3 2023	Q4 2023	Q1 2024*	Q2 2024	Total
Teacher and classroom digital and print resources	1,023	1,111	206	969	3309
Student reach (25/class)	25,000	27,000	5150	24,000	81,150

* Note: Work to Rule action in SK

The added resources available mitigated what was expected to be an almost complete stop in uptake for Q1 2024 during the teacher strike action. Activity over this time demonstrates strong interest in the programming with still over 5,000 page views, and over 200 teacher resource downloads and orders (student reach x 25 = 5,150) during this period.

To learn more about DFC's activities, download our 2022-2023 Annual Report at dairyfarmersofcanada.ca/en/dairy-in-canada/annual-report.

***It is our pleasure to represent dairy farmers
and we look forward to another successful year!***

Research Report

During the past year, the SaskMilk research committee has continued to drive efforts to identifying research projects that will provide useful results for dairy farmers. Working closely with the University of Saskatchewan to support our researchers and the Rayner Centre has been a major goal. The Research Committee is pleased to see the development of a White Tag Research Project to evaluate the impact of these tags on our producers, and is looking forward to the commencement of this project at the end of 2024.

The list included below is comprised of current research projects that SaskMilk supported in the 2023/2024 dairy year.

1. Dr. Anne Laarman NSERC IRC – Dairy Nutrition
2. Dr. Nina von Keyserlingk & Dr. Dan Weary NSERC IRC – Dairy Cattle Welfare
3. Dr. Herman Barkema NSERC IRC – Infectious Diseases of Dairy Cattle
4. Dr. Jeroen De Buck NSERC IRC - Infectious Diseases of Dairy Cattle
5. Dr. Yadeta Kabeta Olds College - Collaborative testing and development of forage barley varieties for western Canada
6. Dr. Leluo Guan U of A - Early life interventions to improve neonatal gut health: Sustainable prevention of bovine neonatal viral diarrhea
7. Dr. Timothy Mutsvangwa U of S - The impact of foliar fungicide application on barley silage quality and performance of lactating dairy cows
8. Dr. Eduardo Cobo U of C - Colostrum non-IgG biomolecules as determinants of gut wellness
9. Dr. Burim Ametaj U of A - Non-antibiotic Approaches to Control Mastitis in Dairy Cows
10. Dr. Wolfgang Köster U of S - Salmonella Dublin vaccine for cattle
11. Dr. Greg Penner U of S - Reducing barriers that currently prevent precision feeding of dairy cattle milked with automate milking systems (AMS) in calves
12. Dr. Peiqiang Yu U of S - Use of newly developed blend protein pellet on rumen parameters and milk fat in dairy cows

Derek Westeringh

Marketing, Nutrition, & Education Report

SaskMilk in Schools

The School Milk Program continues to be a success with School Milk Coordinators from across the province excited to continue their registration in the program. Fun prizes and incentives for students continue to promote dairy in schools.

In the past year, SaskMilk has also aligned with the Saskatchewan Roughriders Win With Wellness program to support mental health presentations to students. These presentations see trained Riders visit classrooms to discuss mental health topics – while promoting SaskMilk and Saskatchewan dairy farmers.



Events

Events continue to be a very large part of SaskMilk marketing. Targeting key groups like millennials and Gen Z are a focus and the exciting swag and marketing materials that SaskMilk has in its inventory (including the cow bouncy house and inflatable Dairyanna) continue to be a draw for all age groups. The new Dairyanna mascot costume has made her rounds through the province and is a welcome sight in parades, tradeshow, you name it!



Sponsorship

Community is the backbone of Saskatchewan and SaskMilk and dairy farmers in our province are in full support. A variety of events, initiatives, charities, and so on have been supported this past dairy year. Whether it has been sponsorship of a local children's hockey team or providing milk to a charity event, SaskMilk has been there thanks to our dairy farmers. A list of sponsored events and initiatives from the past dairy year is included below.



SaskMilk Sponsored Events and Initiatives 2023/2024

August:

August 2 – 6	North Saskatchewan River Basin – Notice Nature
August 11	Queen City Exhibition – Regina
August 9 – 13	Canadian Sport Centre Saskatchewan 'Athlete Intake Combine.' – Regina
August 12	Saskatoon Exhibition – Saskatoon
August 15 – 17	Wolseley 125 Parade – Wolseley
August 12	AITC Teacher Expedition – Swift Current
August 19	Dysart Volunteer Fire Department – Dysart
August 19	Praise in the Park – Regina
August 20 – 25	Rock 102 Show & Shine – Saskatoon
August 23	Rodovid Academy of Ukrainian Dance – Hafford
August 23	NCFC School Back Pac Drive – Regina
August 25	GX94 Country Cook Out
August 25 – 26	Beever Electric Charity Golf Tournament – Buljee
August 29	Shake the Lake Outdoor Music Festival – Regina
August 30	CKRM Country Cook Out
August 30 – 31	GX94 Country Cook Out
August 31	Saskatchewan Polytechnic Welcome Week – All Campuses
	CKRM Country Cook Out

September:

September	Lakewood U13 Girls BUTTER Soccer Team – Saskatoon
September	Langenburg Central School Pancake Breakfast
September 5	CKRM Country Cook Out
September 6	U of R – President's Event – Regina
September 6	GX94 Country Cook Out
September 7	CKRM Country Cook Out
September 8	U-Prairie Challenge – Football – Saskatoon
September 12	CKRM Country Cook Out
September 13	GX94 Country Cook Out
September 14	CKRM Country Cook Out
September 19	Hope's Home – Saskatoon
September 19	CKRM Country Cook Out
September 20	GX94 Country Cook Out
September 20 – 21	Food for Health Symposium – Saskatoon
September 21	CKRM Country Cook Out
September 22	REALM – Regina
September 22 – 23	SHSAA Golf Championship – Elbow
September 23	Wascana Golf Club Chickadee Golf Tournament – Regina
September 25	Light The Night – Regina
September 25	Beever Electric Golf Tournament for Cancer – Regina
September 26	AITC Lumsden Food Farm – Lumsden
September 27	GX94 Country Cook Out
September 29	Wine On Wascana – Regina
September 29	Saskatchewan Deaf and Hard of Hearing Services

October:

October	Warman U18AA Wildcats Hockey Team – Warman
October	Warman Wildcats Female U18AA Hockey Team – Warman
October 2	Hockey Sask – Saskatoon
October 3 – 5	Ag Experience – Saskatoon
October 4	Progressive Ag Safety Day – Humboldt
October 4	GX94 Country Cook Out
October 5	Hospitals of Regina - Gratitude Dinner – Regina
October 6	U-Prairie Challenge – Women's Soccer – Regina
October 7	U-Prairie Challenge – Women's Soccer – Saskatoon
October 11	GX94 Country Cook Out
October 11	DFC Nutrition Tour – Saskatoon
October 14	Cystic Fibrosis - Quest4CF – Saskatoon
October 14	Schizophrenia Society Saskatchewan – Regina
October 14	SHSAA Cross Country Provincial Championship – Regina
October 15	Hockey Sask Female – Humboldt
October 20	U-Prairie Challenge – Women's Hockey – Regina
October 21	U-Prairie Challenge – Women's Hockey – Saskatoon
October 21	Cultural Connections - India Night – Regina
October 21	U-Prairie Challenge – Men's Hockey – Regina
October 23	Regina Teacher Convention – Regina
October 27	U of R Alumni Breakfast - Regina
October 27 - 28	SHSAA Soccer Provincial Championship – Langham, North Battleford, Humboldt, Regina, Saskatoon, Yorkton
October 28	U-Prairie Challenge – Ram's Football – Regina

Marketing, Nutrition, & Education Report

(continued)

November:

November	Prairie Storm U11C Lightning Minor Hockey – White City
November	Regina U18AAA Rebels Hockey Team - Regina
November 1	Saskatoon Career Fair - Saskatoon
November 1 – 4	Yorkton Harvest Showdown – Yorkton
November 3	International Whiskey Night – Regina
November 3 – 5	Martensville Mauraders U15A Villains Tournament - Hague
November 4	SaskFit – Saskatoon
November 4	Saskatoon Goldfins Swim Club Races – Saskatoon
November 5	Hockey Sask – Midale
November 7	St. Mary's Education & Wellness Literacy & Wellness Night
November 7 – 17	Saskatchewan Deaf and Hard of Hearing Services
November 11	SHSAA Football Provincial Championship – Saskatoon
November 12	Hockey Sask – Indian Head
November 12	Hockey Sask – Lumsden
November 12	Hockey Sask – Eston
November 13	Hockey Sask – Leader
November 14	National Philanthropy Day – Regina
November 15 – Dec 8	Persephone Theatre – Saskatoon
November 17 – 18	SHSAA Girls' Volleyball Provincial Championship – Annaheim/Watson, St. Mary, Prince Albert Carlton
November 18	Hague Royals U11 Hockey Tournament - Hague
November 19	Hockey Sask – Beinfait
November 19	Hockey Sask – Lashburn
November 20 – 25	CWA – Agribition – Regina
November 20	Hockey Sask – Rosetown
November 20 – Jan 9	Winter Wonderland – Conexus Arts Centre - Regina
November 23	STARS 50/50 Draw Agribition – Regina
November 24 – 25	SHSAA Boys' Volleyball Provincial Championship – Annaheim/Lake Lenore, Ponteix, Unity, Melfort
November 24 – 26	Pense Grand Coulee U13 Bulldogs Hockey Tournament.
November 26	Hockey Sask – Arcola
November 26	Hockey Sask – Humboldt

December:

December	Glow Saskatoon – Saskatoon
December	Care & Share Hot Holiday Lunch - Saskatoon
December 1	Astonished!s - Walk and Roll – Regina
December 2	Canora Cobras U9 Hockey Tournament – Canora
December 3	Hockey Sask – Wolseley
December 4	Hockey Sask – Davidson
December 9	RUSH – Saskatoon
December 9	Philippine Christmas Dinner - Regina
December 10	Hockey Sask – Luseland
December 27	Saskatoon Blades Teddy Bear Toss – Saskatoon
December 27 – 30	Curl Sask U12, U15, U18 Provincials – Saskatoon
December 27 – 30	Curl Sask U12, U15 Triples Curling Cup – Regina
December 31	RUSH – Saskatoon

January:

January 5	U-Prairie Challenge – Women's Hockey – Saskatoon
January 6	U-Prairie Challenge – Men's Hockey – Saskatoon
January 7	U-Prairie Challenge – Women's Hockey – Regina
January 7	U-Prairie Challenge – Men's Hockey - Regina
January 13	RUSH – Saskatoon
January 15	Hockey Sask – Biggar
January 19	U-Prairie Challenge – Volleyball – Saskatoon
January 19 – 21	Churchbridge U11 Imperials Hockey Tournament
January 20	U-Prairie Challenge – Volleyball – Saskatoon
January 20	Martensville U9 Bandits Hockey Tournament – Martensville
January 26 – 28	South Saskatchewan First Responder Conference Moose
January 26 – Feb 4	REAL – FROST – Regina
January 27	Minor Hockey Day U9 Tournament – Earl Grey

February:

February 2	U-Prairie Challenge – Basketball – Saskatoon
February 3	U-Prairie Challenge – Basketball – Saskatoon
February 3	RUSH – Saskatoon
February 3	Strasbourg Maroons U7 Tournament - Strasbourg
February 3	Churchbridge U7 Imperials Hockey Tournament

February 3 – 4
 February 7
 February 8 – 16
 February 9-11
 February 9 – 11
 February 12
 February 16
 February 24
 February 24 – 25
 Feb 29 – March 3

Prairieland Youth Leadership Conference – Saskatoon
 Northgate Senior Walkers – Regina
 Persephone Theatre – Saskatoon
 Yorkton Minor Hockey U9 Tournament - Yorkton
 Churchbridge U13 Imperials Hockey Tournament
 Girls in STEAM Conference – Regina
 Kindersley Composite School Wellness Day - Kindersley
 RUSH – Saskatoon
 TeleMiracle - Regina
 Persephone Theatre - Saskatoon

March:

March 8 – 9
 March 8 – 9
 March 8 – 9
 March 8 – 9
 March 11 – 12
 March 14 – 17
 March 16
 March 21 – 23
 March 23

SHSAA Boys Curling Provincial Championship – Gull Lake
 SHSAA Girls Curling Provincial Championship – Ituna
 SHSAA Mixed Curling Provincial Championship – Lampman
 SHSAA Wrestling Provincial Championship – Saskatoon
 U12, U15 – Triples Cup Curling Championship – Regina
 Tavria Dance Festival - Regina
 RUSH – Saskatoon
 Basketball (Hoopla) Provincial Championship – Moose Jaw
 Thuner Hockey Tournament



April:

April 6
 April 13
 April 20
 April 20
 April 20 – 23

RUSH – Saskatoon
 RUSH – Saskatoon
 RUSH – Saskatoon
 CNIB - Guide Dogs with Purpose Gala – Regina
 SGI The Best in the West - Saskatoon

May:

May 11
 May 15
 May 16
 May 21
 May 22
 May 23
 May 26
 May 29
 May 30

SHSAA Badminton Provincial Championship – Nipawin
 GX94 Supper in the field
 CKRM Country Cookout
 CKRM Country Cookout
 GX94 Supper in the field
 CKRM Country Cookout
 Cystic Fibrosis Walk for a Cure – Regina
 GX94 Supper in the field
 Soroptimist International - Saskatoon

June:

June 1
 June 5
 June 7 – 8

June 7
 June 8
 June 12
 June 16

World Milk Day – Regina, and Saskatoon
 I Can Games - Turtleford
 SHSAA Track & Field Provincial Championship – Saskatoon Track 1
 Zoo Gala – Saskatoon
 Curl Sask Awards Gala – Watrous
 GX94 Supper in the field
 Hot Wheels



July:

July 1
 July 4
 July 5 – 14
 July 24

Canada Day Kid Find - Wascana Park Regina
 Weyburn Parade – Weyburn
 SaskTel Saskatchewan Jazz Festival – Saskatoon
 Canadian Charolais Youth Association Conference & Show



Looking Ahead

With some big changes happening in Marketing in the past year, SaskMilk is looking to revamp several programs for the next dairy year – including reviewing budgets to ensure that our spend is meeting our targets. We are looking forward to 2024-2025!

Production Report

As of July 2024, Saskatchewan had 145 dairy operations in the province.

The total milk shipped this dairy year was 287,620,984 litres. This is a decrease of -1,348,810 litres (0.47%) from the previous year. Butterfat production for the dairy year was 12,536,061 kilograms, an increase from the previous year of 167,634 kilograms (1.36%).

The average milk composition was:

Butterfat 4.3703 %

Protein 3.3277 %

Other Solids 5.8979 %

Average blend price:

All Milk \$95.36/hl

Butterfat \$21.80/kg

Average Component Prices:

Butterfat \$ 18.544249

Protein \$ 2.865216

Solids \$ 0.808306

DY 2023/2024	August	September	October	November	December	January	February	March	April	May	June	July
Litres Shipped	24,376,673	23,579,162	24,217,682	23,449,086	24,448,704	24,360,810	22,917,421	24,196,995	23,213,338	24,258,290	23,728,546	24,874,277
Avg Litres/day	786,344	785,972	781,216	781,636	788,668	785,833	818,479	780,548	773,778	782,525	790,952	802,396
Bfat Test kg/hl	4.2094	4.3220	4.4350	4.4822	4.4346	4.4406	4.4182	4.2685	4.4044	4.3601	4.2986	4.2386
Bfat Shipped kgs	1,026,110	1,019,102	1,074,061	1,051,030	1,084,199	1,081,769	1,012,539	1,032,842	1,022,410	1,057,676	1,020,005	1,054,317
Avg Bfat/day kgs	33,100	33,970	34,647	35,034	34,974	34,896	36,162	33,317	34,080	34,119	34,000	34,010
Lost Opportunity kgs	62	40	40	-	109	45	40	45	62	96	-	106
Total Over Quota kgs	267	86	625	248	779	1,513	1,836	2,572	2,200	1,978	1,806	1,080
SK Cumulative %	10.58%	8.98%	8.89%	8.51%	8.95%	9.76%	9.78%	9.06%	8.09%	8.00%	8.07%	8.20%
WMP Cumulative %	-0.65	-2.24	-2.45	-2.86	-2.39	-1.52	-1.32	-1.66	-2.45	-2.40	-2.23	-2.12
P5 Cumulative %	1.90	0.75	0.71	0.29	0.84	1.20	2.03	2.24	1.88	2.30	2.31	2.42
P10 Cumulative %	0.91	-0.36	-0.45	-0.88	-0.35	0.45	0.82	0.89	0.42	0.75	0.81	0.92



proAction® Report

I am pleased to bring a report on proAction from the past dairy year.

Saskatchewan dairies have been doing a good job of maintaining their proAction registrations. The Western provinces have continued to utilize Lactanet to manage proAction Validators, Corrective Action Request (CAR) resolutions and Self Declaration approvals. If you are looking for help with your proAction program, Standard Operating Procedure (SOP) templates or blank records, please reach out to SaskMilk. NEAS (National Electronic Administration System) is available for every producer – farmers can access previous validations, cattle assessments, submit self declarations & environmental questionnaires and check on your proAction milestone schedule.

The Code of Practice for The Care and Handling of Dairy Cattle was updated and released early 2023. Copies of the new Code, new proAction Handbooks, and proAction Reference Manuals were circulated to every dairy in Saskatchewan. proAction is one of the vehicles employed to ensure that the Dairy Code is being followed on Canadian Dairies. In December 2024, proAction will be rolling out a country wide pilot project to assess how these Code changes can be supported through proAction requirements.

As communicated this past spring, the Western provinces have agreed to collaborate on some common proAction procedures. These common procedures come into effect starting September 2024. In Saskatchewan, we are moving to a due month rather than a due date for proAction milestones. For example, a September 8 anniversary date means that the validation must be done by the end of September rather than by the 8th. All Corrective Action Requests (CARs) are due to resolve within 30 days from the validation. With these common procedures the same across the West, dairy producers can be assured of equal treatment from province to province.

Your opinions matter. Please reach out to SaskMilk if you have questions, concerns, accolades. SaskMilk has a board member and a staff member that attend proAction committee meetings, provincial coordinator meetings and technical committee meetings – we would be pleased to bring your comments into the national discussions.

Tina Leverton, Field Services Manager



Financial Statements

Saskatchewan Milk Marketing Board

For the year ended July 31, 2024

To the Board of Directors of SaskMilk Marketing Board:

Opinion

We have audited the financial statements of SaskMilk Marketing Board ("SaskMilk"), which comprise the statement of financial position as at July 31, 2024, 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 the SaskMilk as at July 31, 2024, and the results of its 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 SaskMilk in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance are responsible for overseeing the SaskMilk'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 SaskMilk'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 SaskMilk'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 SaskMilk 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.

Regina, Saskatchewan

October 30, 2024

MNP LLP

Chartered Professional Accountants

Saskatchewan Milk Marketing Board

Statement of Financial Position

As of July 31, 2024

	2024	2023
Assets		
Current		
Cash	\$3,475,214	\$2,763,402
Accounts receivable	14,974,870	14,263,955
GST receivable	23,067	40,716
Prepaid expenses	715,316	507,325
	19,188,467	17,575,398
Investments (Note 3)	1,407,757	1,264,833
Investments in Significantly Influenced Entity (Note 4)	3,720,306	130,216
Capital Assets (Note 5)	226,355	310,216
	\$24,542,885	\$19,280,663
Liabilities		
Current		
Accounts payable and accrued liabilities	\$17,530,938	\$15,414,943
	17,530,938	15,414,943
Long-term debt (Note 8)	3,037,395	-
	20,568,333	15,414,943
Equity		
Internally Restricted Fund - Industry Development (Note 9)	574,148	554,827
General Fund	3,400,404	3,310,893
Net Assets	3,974,552	3,865,720
	\$24,542,885	\$19,280,663

Commitments (Note 13)


Director


Director

See accompanying notes to the financial statements

Saskatchewan Milk Marketing Board

Statement of Operations

For the year ended July 31, 2024

	BUDGET (Note 10) (Unaudited)	2024	2023
Revenue			
Milk sold to processors	\$281,760,000	\$284,549,309	\$278,866,723
Milk pools (Note 6)	(7,200,000)	(5,922,891)	(2,252,936)
Milk pool administration and fees (Note 11)	5,384,130	4,748,709	4,999,143
Promotion levy	4,350,000	4,315,051	4,334,547
Licence fees and miscellaneous	703,387	978,191	873,912
Milk quality penalties	370,000	384,363	596,442
Interest	240,000	221,886	245,205
Investments	50,000	33,967	73,200
Grants	-	10,950	7,968
	\$285,657,517	\$289,319,535	\$287,744,204
Expenses			
Milk purchased from producers	\$275,547,677	\$279,443,216	\$277,587,900
Administrative expense	3,019,698	2,634,537	3,476,739
DFC industrial levy and membership	1,999,478	1,892,640	1,799,628
Salaries and benefits	1,641,783	1,890,114	1,655,153
Marketing, nutrition, and education activities	1,484,513	1,767,226	1,766,049
Travel, sustenance, and vehicle expense	402,429	263,557	282,600
School milk program	205,436	216,336	188,518
WMP Shared Costs	476,949	200,237	304,972
Amortization	165,000	177,348	161,035
Rent	168,321	165,673	177,461
Western promotion	115,490	146,900	83,401
Honoraria	129,380	120,138	109,725
Dairy Innovation West (DIW) (Note 12)	146,558	109,293	9,198
Food Bank program	95,045	79,470	88,651
Legal	90,000	57,240	124,908
Interest on long-term debt (Note 8)	-	41,047	-
Dumped Milk Expense	90,000	13,715	154,598
	\$285,777,757	289,218,687	287,970,536
(Deficiency) excess of revenues over expenses before other items	(120,240)	100,848	(226,332)
Other Items			
Loss on sale of investments	-	-	(27,555)
Loss on sale of capital assets	-	(5,576)	-
Unrealized gain (loss) on market value of investments	-	117,655	(3,319)
Loss from investment in significantly influenced entities	-	(104,095)	(96,644)
(Deficiency) excess of revenues over expenses	\$(120,240)	\$108,832	\$(353,850)
Transfer to reserves	(108,664)	-	-
(Deficiency) excess of revenues over expenses	\$(228,904)	\$108,832	\$(353,850)

Saskatchewan Milk Marketing Board

Statement of Changes in Net Assets

For the year ended July 31, 2024

	General Fund	Internally Restricted for Industry Development	2024	2023
Net assets, beginning of year	\$3,310,893	\$554,827	\$3,865,720	\$4,219,570
Excess (deficiency) of revenue over expenses	108,832	-	108,832	(353,850)
Transfer from Reserves				
Interfund transfers (<i>Note 9</i>)	(19,321)	19,321	-	-
Net assets, end of year	\$3,400,404	\$574,148	\$3,974,552	\$3,865,720

See accompanying notes to the financial statements

Saskatchewan Milk Marketing Board

Statement of Cash Flows

For the year ended July 31, 2024

	2024	2023
Cash Flows from Operating Activities:		
Cash receipts from processors and fees	288,370,415	285,832,805
Interest received and investment income	255,853	318,405
Cash paid to producers	(278,654,549)	(276,990,672)
Cash paid to other suppliers	(6,588,672)	(8,690,848)
Cash paid to employees and board members	(1,890,114)	(1,655,153)
Cash flows from operating activities	1,492,933	(1,185,463)
Cash Flow from Investing Activities		
Purchase of tangible capital assets	(99,063)	(128,137)
Purchase of investments	(3,719,453)	(226,860)
Proceeds on disposal of investments	-	214,500
Cash flows from investing activities	(3,818,516)	(140,497)
Cash Flow from Financing Activities		
Advance of long-term debt	3,037,395	-
Cash flows from financing activities	3,037,395	-
Net increase (decrease) in cash during the year	711,812	(1,325,960)
Cash position, beginning of year	2,763,402	4,089,362
Cash position, end of year	\$3,475,214	\$2,763,402

1. Incorporation

The Saskatchewan Milk Marketing Board (SaskMilk) is a producer marketing board established under the Agri Food Act effective October 1, 2010. The Board's general role and responsibility is to design and implement dairy policies and programs for the benefit of producers and other industry stakeholders.

In particular, the Board is responsible for:

- collection and purchase of producer milk;
- transport and sale of milk to distributors and processors;
- compensate producers through a multiple component pricing system and manage production levels in conjunction with the National and Regional Marketing Agreements; and
- collect and administer fees or levies required to operate the provincial milk pool, and to fund Board program activities (promotion and nutrition) of benefit to the industry.

The Board provides leadership to the Saskatchewan dairy industry in addressing provincial, regional, national, and international issues. It also promotes the interests of Saskatchewan producers at Western Milk Pool and Canadian Milk Supply Management Committee meetings.

Industry stakeholders' participation in policy and program consultations is facilitated primarily through semi-annual and annual producer meetings.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook – Accounting, as issued by the accounting Standards Board in Canada and include the following significant accounting policies:

a) Revenue Recognition

Revenue from the milk sold to the processors, milk pools, milk pool administration and fees, and promotion levies are recognized when the milk is delivered to the processor.

b) Cash

Cash is comprised of monies on deposit with the bank.

2. Significant accounting policies (continued)**c) Capital Assets**

Capital assets are recorded at cost and are amortized over their estimated useful lives.

Amortization expense is calculated using the straight-line amortization at the following annual rates:

Leasehold Improvements	10 years
Milk Payment System	10 years
Handhelds	5 years
Office furniture and equipment	3-10 years
Vehicle	5 years

d) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

e) Income taxes

SaskMilk is incorporated as a not-for-profit organization and is exempt from income taxes.

f) Financial Instruments

SaskMilk recognizes financial instruments when SaskMilk becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, SaskMilk may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. SaskMilk has elected to subsequently measure any arm's length financial instrument at fair value.

2. Significant accounting policies (continued)

f) Financial Instruments (continued)

SaskMilk subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

SaskMilk assesses impairment of all its financial assets measured at cost or amortized cost. SaskMilk groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

SaskMilk reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

SaskMilk reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

Saskatchewan Milk Marketing Board

Financial Statement Notes

For the period ended July 31, 2024

2. Significant accounting policies (continued)

g) Investment in Significantly Influenced Entities

SaskMilk's investment in significantly influenced entities, are accounted for using the equity method. Accordingly, the investments are recorded at acquisition cost and is increased for SaskMilk's proportionate share of post acquisition earnings and decreased by post acquisition losses. This includes the investment in Dairy Innovation West Inc.

All significantly influenced entities are disclosed as related parties in note 12.

3. Investments

	2024	2023
Market Value		
Mutual Funds	\$1,372,870	\$1,255,214
Cash and cash equivalents	34,887	9,619
	\$1,407,757	\$1,264,833

4. Investment in Significantly Influenced Entities

SaskMilk holds the following significantly influenced investment:

	2024
DIW Buildings & Land Corporationnew pa (12.26434% ownership interest)	
Opening balance equity pick-up	\$(96,644)
Current year DIW Trust investment	275,850
Current year share of loss	(104,095)
	\$75,111
Opening balance shares	226,860
Current year purchase of common shares	3,418,335
	\$3,645,195
Total	\$3,720,306

Saskatchewan Milk Marketing Board

Financial Statement Notes

For the period ended July 31, 2024

5. Capital Assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Milk Pay System	\$1,002,782	\$901,839	\$100,943	\$133,711
Vehicle	66,698	18,679	48,019	57,359
Leasehold	-	-	-	5,576
Office furniture and equipment	108,265	80,317	27,948	39,597
Handhelds	273,540	224,095	49,445	73,973
	\$1,451,285	\$1,224,930	\$226,355	\$310,216

6. Milk Pools

The Western Milk pool entered into a revenue and cost sharing agreement effective June 1, 2020, with Newfoundland and the P5 pool (consisting of the provinces of New Brunswick, Nova Scotia, Prince Edward Island, Quebec and Ontario). The purpose of this agreement is to extend the pooling arrangements within each pool so that all revenue is pooled among the 10 provinces, as if the ten provinces constituted a single market. Based on each pool's monthly sales, the Canadian Dairy Commission either distributed revenue or required a contribution from the Western Milk Pool.

Based on each province's monthly utilization, Canadian Dairy Commission will either distribute a portion of, or require a contribution to, the Industrial and Special Class Pool and Western Milk Pool. Saskatchewan paid contributions of \$5,922,891 to the milk pools (2023 – paid contributions of \$2,252,936 to the milk pools).

7. Line of Credit

SaskMilk has access to a Conexus Credit Union line of credit to a maximum of \$750,000, bearing interest at prime minus 2.5% (2023 – prime - 2%) , secured by a general security agreement. The balance drawn on July 31, 2024, is \$nil (2023 - \$nil).

Saskatchewan Milk Marketing Board

Financial Statement Notes

For the period ended July 31, 2024

8. Long-term debt

	2024	2023
FCC loan bearing interest at prime minus 0.35% per year, repayable in monthly payments of \$35,155 starting September 1, 2025, until which time monthly interest payments are made only. The loan is subject to refinancing on September 1, 2028.	3,037,395	-

Principal repayments on long-term debt in each of the next five years are estimated as follows. The loan is subject to refinancing on September 1, 2028:

	<i>Principal</i>
2025	-
2026	364,708
2027	397,863
2028	397,863
2029	33,155
Subject to refinancing	1,843,800
Total	3,037,395

Interest on long-term debt amounted to \$41,047 (2023 - \$nil).

9. Internally Restricted Fund

A portion of the Industry Development Fund (IDF) on Class 1 milk is designated for Internally Restricted Operations – Industry Development. The IDF is being pooled in the WMP for the following: Quality Bonus, Inhibitor Testing Reagent, Environmental Compliance, Milk Quality Testing, Milk Metering, and Administration. SaskMilk receives revenue for Milk Quality Testing, Milk Metering and Administration from the WMP and, for the present, is paying into the WMP for Quality Bonus, Inhibitor Testing Reagent and Environmental Compliance.

IDF Funds were used for the following programs in 2023-2024: Inhibitor Testing Reagent – paid to the Processor, Quality Milk Bonus – paid to the Producers, Environmental Compliance – portion used to reduce haulage charges to Producers, and Milk Quality Testing – payment for portion of component testing and testing supplies (i.e., sample bags, sample vials, and truck seals).

10. Budget

The budgeted figures provided in the statement of operations and changes in net assets are presented for information purposes only and are unaudited. The 2023 – 2024 Budget was approved by the Board of Directors on June 15, 2023.

Saskatchewan Milk Marketing Board

Financial Statement Notes

For the period ended July 31, 2024

11. Milk pool administration and fees

Included in the Milk pool administration and fees is the following:

	2024	2023
IDF revenue	\$2,805,625	\$2,856,499
SMMB assessment	1,936,123	1,908,396
CDC surplus refund	6,961	8,049
Component testing	-	280,063
Adjustments	-	(53,864)
	\$4,748,709	\$4,999,143

12. Related party information

DIW

SaskMilk exercises significant influence over Dairy Innovation West Inc. ("DIW"). DIW was incorporated on April 30, 2020, and its members are SaskMilk, Dairy Industry Development Council, Alberta Milk and Dairy Farmers of Manitoba. As a member of DIW, SaskMilk is entitled to name a nominee for appointment to DIW's Board of Directors, and SaskMilk'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. SaskMilk holds economic interest in DIW to the extent that resources are transferred to DIW by means of member assessment fees, which are collected by DIW to achieve its stated purpose. The Alberta Agricultural Products Marketing Council has provided their support for the DIW project concept. DIW is incorporated under the Canada Not-for-profit Corporations Act and extra-provincially registered in Alberta, and is exempt from income tax. SaskMilk's recorded transactions with DIW during the year consist of \$109,293 (2023 - \$9,198) of member assessment fees, which are included on the Statement of Operations.

SaskMilk exercises significant influence over DIW Buildings & Land Corporation (DBLC). DBLC was incorporated on August 22, 2022, and its shareholders are SaskMilk, Dairy Industry Development Council, Alberta Milk and Dairy Farmers of Manitoba. SaskMilk's shareholdings are based on provincial quota shares of the Western Milk Pool provinces, with SaskMilk's relative percentage being 12.26434%. As a shareholder of DBCL, SaskMilk is entitled to name a nominee for appointment to DBCL's Board of Directors, and SaskMilk's support is required in the process of electing the Chair of DBCL's Board of Directors. DBCL'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. DBCL is incorporated under the Canada Business Corporations Act and extra-provincially registered in Alberta.

Saskatchewan Milk Marketing Board

Financial Statement Notes

For the period ended July 31, 2024

SaskMilk accounts for DBCL using the equity method. During the year, SaskMilk purchased 683,765 (2023 – 45,372) class A common shares at a cost of \$3,418,335 (2023 - 226,860), and SaskMilk's loss from DBCL under the equity method was \$104,095 (2023 – \$96,644).

WMP

Important work continues in the Western Milk Pool (WMP). In the Spring of 2024, the WMP supervisory boards prompted a shift that will see a departure from transformation and centralized decision-making to a focus on independent organizations collaborating under an agreed-upon configuration. Although each province will maintain decision-making authority, the western dairy organizations continue to believe in western unity as a step towards national unity, and proudly retain the original WMP vision - 'Better Together for Canadian Dairy'. Thinking bigger and finding the win-win opportunities based on decisions made with well-researched facts is our way of operating. We are excited to move forward knowing that this approach can and will serve producers better.

13. Commitments

SaskMilk has entered a 10-year lease for office space. The future annual minimum lease payments are as follows:

2025 – 2027	\$157,823
2028 – 2031	\$161,533

14. Pension plan

SaskMilk participates in the Public Employees' Pension Plan, a defined contribution or benefit plan. SaskMilk obligations to the Plan are limited to 8.6% of earnings for all employees for current services. During the year, SaskMilk contributed \$93,883 (2023 - \$107,913) to the plan, which is recorded as an expense.

15. Financial instruments

SaskMilk, as part of its operations, carries a number of financial instruments. It is management's opinion that SaskMilk is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

a) Fair value

SaskMilk financial instruments consist of cash, investments, accounts receivable, and accounts payable. The carrying amount of the Organization's financial instruments approximates their fair value, due to their relatively short-term maturities. Investments in quoted equity instruments are recorded at fair value based on prices quoted in an active market.

15. Financial instruments (continued)

b) Credit risk

SaskMilk is subject to credit risk as the Board's milk sales are to a few processors.

SaskMilk is also exposed to credit risk in accounts receivable in the event that a customer fails to honour its obligations. Credit risk is managed with regular credit assessments and active collection activity. In the event that an account is deemed uncollectible, the account will be written off as a bad debt.

c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. SaskMilk is exposed to interest rate risk primarily relating to its investments and long-term debt that it holds.

d) Foreign currency risk

Foreign currency risk arises from SaskMilk holding investments denominated in US currency. Fluctuations in the relative value of the Canadian dollar against the US currency can result in a positive or negative effect on the value of the investments. SaskMilk manages its foreign currency risk by limiting the investments in US funds.



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