



# ANNUAL REPORT

2023-2024

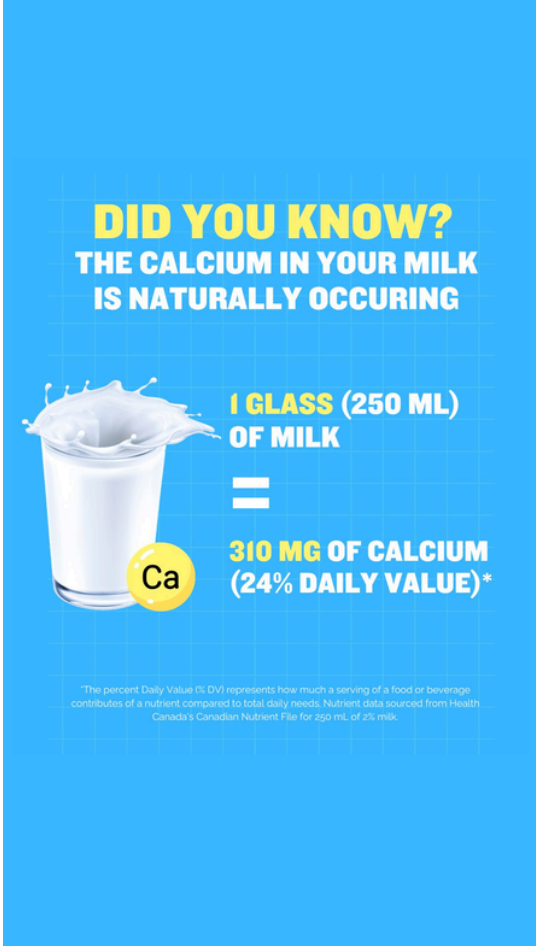


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**DID YOU KNOW?**  
THE CALCIUM IN YOUR MILK  
IS NATURALLY OCCURRING

**1 GLASS (250 ML)  
OF MILK**

**=**

**310 MG OF CALCIUM  
(24% DAILY VALUE)\***

\*The percent Daily Value (% DVI) represents how much a serving of a food or beverage contributes of a nutrient compared to total daily needs. Nutrient data sourced from Health Canada's Canadian Nutrient File for 250 mL of 2% milk.

The infographic features a blue background with a white grid. On the left, there is a glass of milk with a splash. To the right of the glass is a yellow circle containing the chemical symbol 'Ca'. The text is in white and yellow, with the main headline in yellow and the rest in white.

**Dairy Farmers of New Brunswick Mission Statement:**

To represent the interests of New Brunswick dairy farmers in their pursuit of operating sustainable dairy farms that produce high quality milk within a supply management system.

**Dairy Farmers of New Brunswick Vision Statement:**

A vibrant and healthy dairy industry comprised of profitable dairy farmers.

# MESSAGE

## FROM THE BOARD CHAIR

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This year marks my third term as Chair, and it's hard to believe how quickly time flies. It's a privilege to work alongside an outstanding board of directors and the dedicated DFNB staff, who make everything we achieve possible.

As someone with a strong focus on outcomes, I admit that not every goal has yet been reached, but that doesn't take away from the significant progress we've made.

Over the last year we've continued reviewing our board orders to ensure they are up-to-date and inclusive. This is a larger task than one might expect, with many orders requiring revisions for more inclusive language. We aim to handle these updates at each in-person meeting, focusing on one order at a time. By simplifying these procedures, we enable DFNB staff to assist producers effectively and autonomously, without needing board intervention. In keeping with this goal, we alternate between virtual and in-person board meetings each month.

In October, we held an off-site meeting in Miramichi, which included a tour of the Agropur plant. This three-day meeting was an invaluable opportunity to refresh our strategic plan and refine our governance practices—a valuable exercise that we found timely and beneficial.

The Maritime Executive Committee (MEC) remains active, with an increasing emphasis on collaborative, harmonized policies across provinces. The Shamrock milk payment system being adapted to all three Maritime provinces has allowed us to save on programming costs and has simplified policy alignment. As a committee, the MEC meets four times annually, with the chair role rotating among the provinces. Although many ask about the possibility of forming a single Maritime board, I believe that while more and more collaboration between the boards is occurring this is something that can not be forced.

At the national level, we've been deeply involved in finalizing the Market Growth Program (MGP), a complex task involving input from all provinces and regulatory bodies.



Although we hoped to present the program at the CMSMC meeting in Moncton this past September, some outstanding concerns from processors emerged, underscoring the importance of early and ongoing consultation. Productive discussions are ongoing, and we're optimistic about reaching a consensus soon. We've also dedicated time to refining the P10 Agreement, which is now in its seventh version. The complexity of developing such agreements is often compounded by nuances in language translation, which can alter intended meanings. This process has reinforced just how intricate and carefully managed our industry's agreements need to be.

I would like to express my heartfelt gratitude to our board members, DFNB staff, and Farm Products Commission. Together, we've built a strong team here in New Brunswick, dedicated to supporting our local farmers and advancing the interests of Canada's dairy industry at the national level. Thank you for your commitment and collaboration.

I would like to extend my gratitude to Armand and Emmanuel Beaupré and the other 33 Excellent Milk Quality award winners. Thank you for your tireless efforts and congratulations on this well-deserved recognition.

I wish you all a happy and prosperous 2025.

**Wietze Dykstra**  
Board Chair

# SUPPLY MANAGEMENT

IMPORT CONTROLS, PRODUCTION PLANNING,  
PRODUCER PRICE SETTING

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## **A MODEL OF REASON AND BALANCE**

Canada was founded by the British North America Act (BNA) of 1867 as a federal union of four provinces: Quebec, Ontario, Nova Scotia and New Brunswick. The BNA Act set out federal and provincial jurisdictions, giving provincial governments authority over production and marketing of goods and services within their own boundaries, and the federal government jurisdictions over inter-provincial and international trade.

The concept of supply management requires either a delegation or a sharing of federal and provincial powers through agreements among many signatories. These signatories currently subscribe to supply management through the 1983 National Milk Marketing Plan and Memorandum of Agreement and pooling agreements that have been developed and signed since.

The jurisdiction over the production and marketing of milk in New Brunswick is set out within the Natural Products Act where some controls over the production, marketing, promotion and research are delegated to Dairy Farmers of New Brunswick (DFNB) and others are vested to the New Brunswick Farm Products Commission (Commission). These two parties are signatories to the national plan and agreements. New Brunswick's processing sector joins these two parties within the New Brunswick Dairy Industry Council to discuss issues concerning New Brunswick's dairy sector.

Supply management is a model of reason and balance that provides consumers with healthy, fairly priced products and operates on three interdependent pillars.

Those three pillars are managing Canada's import and export commitments, utilizing quota to closely match production to market requirements, and providing producers a fair return.






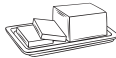
The first pillar is determined by Canada's ability to secure bi-lateral or multi-lateral trade agreements that offer Canada's dairy sector with a predictable level of imports of milk and dairy products. Over the last few years access to our Canadian dairy market through imports has increased significantly with the addition of the Comprehensive Economic Trade agreement, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Canada, United States and Mexico Agreement (CUSMA). In 2023-24 Canadian dairy producers began receiving investment payments to account for market losses due to the concessions made to the dairy industry for the CUSMA agreement. During the 2023-24 dairy Year Canada imported 25.6 million kgs of butterfat which was a 11% increase over the previous dairy year. In 2023, Canada imported \$ 1,501 Million in dairy products and exported \$488 Million for a total deficit of \$ 1,013 Million as compared to \$857 Million in 2022.

## SUPPLY MANAGEMENT CONTINUED

The second pillar is achieved when each province establishes quota policies that guide producers on the volume of milk that is required to meet the consumer demand for milk and dairy products. Over the dairy year, consumption of all dairy products increased. However, consumption of butter has been slowing down over the year and in the fall of 2024 we start to see the 12 month trend on butter consumption switch from positive to negative while all other dairy product remain positive. This, coupled with imports, resulted in an increase in the market of approximately 3% over the course of the year compared to the previous year. Unusually high milk components through the fall of 2023 resulted in some difficulty matching supply and demand. Throughout the spring and summer of 2024 production signals were issued across the country as processors indicated that the current milk supply was insufficient to meet their needs. Compared to the 2022-23 dairy year, the 2023-24 dairy year saw production across the country increase by 1.69%. Butter stocks in July 2024 were at 37,420 tonnes which is 2,151 higher than July 2023.

The third pillar is achieved by determining the level of returns that producers need to cover their costs to produce milk. A national cost of production study (COP) of more than 200 dairy farms is used to assist in that determination. Statistics Canada indices are used to ensure it is current. The National Pricing Formula is used to determine the adjustment to the various classes every February 1st and expired February 1, 2023. Preliminary discussion at the producer and processor level have begun to evaluate the formula however other national files have taken priority since then, meaning that the current formula has been carried over for the last two dairy years. This formula uses the year over year changes to COP and the Consumer Price Index (CPI) and each province applies the result to various classes covered by the formula. In the fall of 2023 the CDC announced a price increase of 1.77% that would be delayed from February 1, 2024 to May 1, 2024. In the fall of 2024 a slight price decrease of 0.0237% was announced. The average price paid to a producer in New Brunswick during the 2023-24 dairy year was \$97.67/hl which was 2.2% higher than the previous year average price of \$95.57/hl.

In summary, New Brunswick producers shipped 0.5% less liters and 1.4% more butterfat to processors and received 3.4% more revenues compared to the previous year.

CANADIAN CONSUMPTION	12-M ENDING JULY-24 VS 12-M ENDING JULY-23	
Fluid	1.9%	
Cream	2.7%	
Cheese	3.3%	
Yogurt	0.9%	
Ice Cream	1.8%	
Butter	2.5%	



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# GOVERNANCE

New Brunswick's dairy producers elect nine of their peers to serve as directors. This board of directors is responsible to develop and implement policies with the objective of achieving its mission of representing the interests of producers and creating an environment needed to operate sustainable dairy farms that produce high quality milk within a supply managed system.

DFNB's board of directors met 8 times and held 12 virtual meetings or e-mail votes during the past year to control and regulate the marketing and production of milk; to promote the marketing, production and consumption of milk and to undertake research activities pertaining to milk.



**John Schuttenbeld** Fredericton, **Mike Bouma** North East, **Robert Speer** FPCC, **Wietze Dykstra** Chair, **Gilbert Matheson** Vice Chair, **George Wesselius** Moncton, **Becky Perry** 2nd Vice Chair, **Paul Gaunce** At-Large, **Denis Cyr** North West, **John Best** Woodstock (left to right)

## GOVERNANCE CONTINUED

The Board of Directors uses collectiveness, equity, quality, and sustainability to guide it in developing policies. They also consult with producers through local area meetings in the spring and fall and the annual meeting where producers have the opportunity to provide guidance to the Board by bringing forward resolutions.

In the fall of 2023 DFNB held an election for 3 positions on the board. Paul Gaunce was re-elected as an at-large director. Mike Bouma was acclaimed for his first term as the director for the North-East Region and George Wesselius was acclaimed for his first term as the director for the Moncton Region. These individuals began their terms in December of 2023 following the DFNB AGM.

The Board of Directors selects its Chair, Vice-Chair and Second Vice-Chair every year following its annual meeting. Wietze Dykstra was chosen to represent DFNB as Chair for a third term, Gilbert Matheson as DFNB's Vice-Chair and Becky Perry as DFNB's second Vice Chair. Directors were then assigned various roles and appointed to be DFNB's representatives on provincial, regional, and national committees. Robert Speer is the New Brunswick Farm Products Commission's dairy producer representative and attends the Board's meetings as an observer.

Board members participated in regional and national committees where they collectively dedicated 467 meeting days creating fair policies for all producers and finding operational efficiencies when possible.

COMMITTEE	REPRESENTATIVES
DFC Board	Gilbert
DFC Delegate to AGM	Wietze, Gilbert
CMSMC, P5 SB, P5 Chairs	Wietze, Gilbert, Becky
P5 Quota Committee	John B, Becky
Maritime Executive Committee	Wietze, Gilbert, Becky
NB Dairy Council	Paul, George, Wietze, Mike (alt)
Milk 2020	Wietze, Paul, George (alt)
Promotion	Becky, John S, John B, Denis Cyr
Atlantic Dairy Research Council	George
NB New Entrant	John B, Paul, Frances Freeze, Jerry Bos
ProAction Program/P5 Quality	John S
NB Emergency Measures	John S
Audit Committee	Denis, Wietze, George, Mike
Scholarships	Paul, Denis
Ag Alliance—Commodity Advisory	Mike
Cattle Agency	John S.

## GOVERNANCE CONTINUED

# NOTABLE INITIATIVES

- Reviewed several of DFNB's board orders to ensure that they are current and meaningful to the producer of today and implemented several changes throughout the year.
- Continued collaboration with the other maritime provinces and accepted the harmonized maritime credit exchange methodology
- Collaborated with P10 partners to continue work on the development of the Market Growth Program to encourage investment in processing for the future.
- Worked with our P5 partners to perform a review of the P5 quota policies, this work remains ongoing.
- Augmented the promotions coordinator role from the contract to a full time position. Hired a promotions summer student to create social media content and also hired an individual to accompany Moonica to events across the province.
- Partnered with the Atlantic provinces to survey producers on the proAction program. The results of this survey will be used to make improvements in the programs structure and maintenance.
- Worked with the NB Farm Products Commission to improve processes to ensure that all producers received timely milk quality results.
- Conducted a survey of all schools in the province on the school milk program. This survey resulted in DFNB revamping the school milk program and creating a ordering platform that will be available to schools during the 2024-25 school year.





# MESSAGE

## FROM THE GENERAL MANAGER

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We achieved several key milestones this year. Internal procedures, policies and board orders were reviewed, amended and implemented. ACOA funding was secured to offset 75% of the cost to replace our existing Producer Pay System which has served us well since 1994. The developers began their work to tailor the Sask Milk Producer Pay System to line up with New Brunswick's payment and exchange methods. Those required changes were finalized and testing started during the fall of 2024 with a launch date scheduled for January 2025. The next phase is planned for early 2025 and will add functionality to manage transporter payments, milk delivery schedules and accounting entries.

This same system is being used by Nova Scotia and Prince Edward Island and could be the catalyst to drive our three boards to reduce redundancy in completing the weekly milk delivery schedules and the monthly producer pay cycles.

Administration fees that were previously increased in 2023-24 were increased once more for this current fiscal year. Part of these increases came as a result of a review and update of job profiles and compensation which hadn't been updated since 2011. The development of the Milk Payment System, additional national meetings and increased travel costs contributed to the rest of these increases. Even with these recent increases, the levy has hovered right around 1% of milk sales since 1990. The Maritime's boards continue to explore ways to streamline operational costs through the Maritime Executive Committee.

The promotion coordinator's position became a permanent position in 2023 and supported the DFNB promotion committee in achieving its objectives. Grants were secured to cover the cost of creating a school milk ordering application that should be launched in 2025. Grants were also secured to offset the cost of summer staff who traveled to events with Moonica and created social media content.

Nationally, markets have grown on average 2.5% per year in the last 10 years and future projects indicate growth of 2% per year for the next 10 years.



High butterfat dairy products appear to be driving this growth which leaves us with an ever growing surplus of skim milk. Canada's ability to manage this skim was curbed following the introduction of an export cap on skim milk powders within CUSMA. The Market Growth Program Committee, established in early 2022 coupled with the federal government Dairy Innovation and Investment Fund (DIFF) announced in September 2023 are expected to modernize Canada's skim milk processing infrastructure to manage the current and future skim milk surpluses. Announcements on any new processing infrastructures are expected in early 2025 but won't come online for a few more years. Until that time, provincial boards will manage that skim surplus as best they can in collaboration with its bulk milk transporters who have shown remarkable agility in dealing with varying delivery schedules over longer and longer distances.

Despite the challenges faced by our industry, our team remains focused on achieving the organization's long-term strategic objectives while maintaining a disciplined approach to managing resources, driving improvements and searching for innovative solutions. I would like to extend my heartfelt thanks to the board of directors, our provincial counterparts, and to DFNB's dedicated team.

**Steve Michaud**  
General Manager

# OPERATIONS

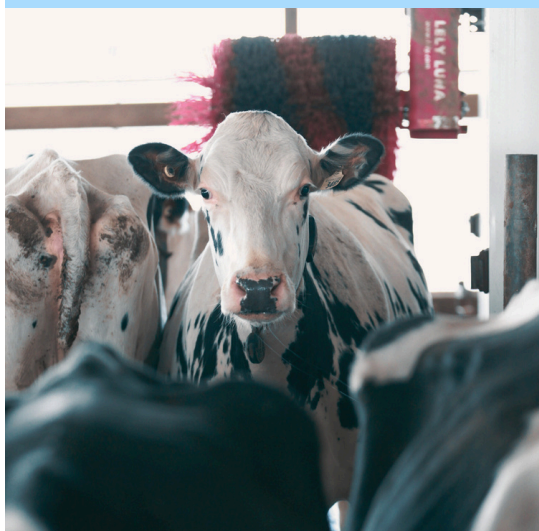


**Luke Chase** *Producer Services*, **Veronica McEwen** *Transportation*, **Sharon Beasley** *CFO*, **Delaney Lewis** *Office Clerk*, **Katie Bleakney** *Promotions Coordinator*, **Ashley Baskin** *Policy Analyst*, **Steve Michaud** *General Manager* (left to right)

The Board entrusts its General Manager to achieve the organization's policy and operational objectives. Steve Michaud, employed in various capacities since May 1984 has been DFNB's General Manager since 1993. Steve ensures that DFNB has the staff it needs to perform its various functions. The following is the list of DFNB's staff. Ashley Baskin joined DFNB in May 2009 and has held various positions within the organization. Ashley's role is Policy Analyst, she provides technical expertise on many national, regional and provincial committees as well as to the board of directors. Veronica joined on August 2011 and has since taken charge of milk logistics, overseeing bulk milk tank calibrations and managing software services. Veronica coordinated the rollout

of new handheld devices, the transition from the legacy producer payment system to Shamrock, and coordinating the ACOA funding application. Luke Chase is the Producer Pay Coordinator since March 2018 and carries out all aspects of the monthly producer payment cycle, the monthly quota and credit exchanges. Delaney Lewis was hired as Office Clerk in May of 2021. Delaney is responsible for the tasks associated with accounts payable and receivable as well as planning and organizing the annual meeting. Katie Bleakney was hired in March 2023 as the Promotion Coordinator and is responsible for the initiatives set out by the Promotions Committee. Since 2022 DFNB entrusts its financial accounting needs to Sharon Beasley with the CFO Centre.

# MILK PRODUCTION



Provincial producer boards from Ontario to Prince Edward Island appointed directors and support staff from their respective organizations as members on the P5 Quota Committee. This committee regularly reviews the level of quota and production incentives issued to P5 dairy farms to ensure that the issuance is sufficient to bring forward the supply of milk needed to satisfy the P5's share of the national market.

The 5 producer boards accepted the P5 Quota Committee's recommendation to change daily quota issued to producers as follows:

- Announced to remove 3 of the 6 previously announced incentive days for the fall of 2023.
- Issued 1 incentive day for the month of November 2023.
- Issued 1 incentive day for the months of February, March and April 2024 in separate decisions.
- Announced 8 incentive days for the fall of 2024 which later increased to 10 days.
- Announced a 1% increase in quota effective September 1, 2024
- The Committee also consulted the P5 Chairs and GM's to review the governance structure of the P5 Quota Committee.
- The Quota Committee also began its P5 Quota Policy Review that happens every 5 years.

## MILK PRODUCTION CONTINUED

QUOTA	P5 2023-24	P5 2022-23	NB 2023-24	NB 2022-23	Change
Average Daily Production	840,423	830,581	19,293	19,076	1.41%
Average Daily Quota	851,999	841,434	19,331	19,114	1.41 %
Fill Rate	98.6%	98.7%	99.8%	99.8%	0%
Incentive days	6	15	6	15	
Incentive fill rate	49.80%	35.5%	53.97%	41.96%	
Credit at July 31	-2.3	-2.3	-1.9	-4.5	+2.6

The preceding table provides a summary of the last 2 year's P5 and NB production information.

The P5 Quota Policy requires that provinces who offer quota leasing / credit exchange programs issue 0.5% less Daily Quota to their producers. This adjustment applies to DFNS, DFPEI and DFNB.

DFNB provides its producers with a monthly credit exchange mechanism based on the following principles:

- A producer with a credit position below 0 days can offer to sell the lesser of 8 times daily quota or the amount that raises his credits to no higher than 0 days.
- A producer with a credit position above 0 days can bid to buy the lesser of 8 times daily quota or the amount that reduces his credits to no lower than 0 days.
- The MEC agreed to remove the "0" limit and also imposed restrictions on buyers by reducing the credits they can purchase when those producers have incurred a milk quality penalty. These will be implemented shortly after DFNB implements the MPS in 2025.
- 84 producers sold 238,400 kilograms of their accumulated under production credits to 53 producers who used these credits to reduce their accumulated over production credits.
- Credits traded between \$0.49 and \$13.50 per kg of butterfat for an average of \$7.36 for the year.



# QUOTA

## QUOTA TRANSFERS, FARM NUMBERS



### QUOTA TRANSFERS

DFNB provides producers access to a monthly quota exchange mechanism where they can trade quota amongst each other.

- The price cap is \$24,000.
- 143 kilos were traded between producers on the monthly quota exchanges at an average price of \$24,000 per kilo of daily quota.
- 16 producers sold the above amount and 51 purchased that same amount via the monthly quota exchange. 2 farms sold all of their quota and exited the industry.
- 7 farms received the approval from the DFNB Board and the New Brunswick Farm Products Commission to rename, relocate or transfer their farm in accordance with the Board's Daily Quota Transfer Policy.

### FARM NUMBERS

On July 31, 2023 164 dairy farms held 19,220 kgs of daily quota, 3.3% more than the same period in the previous year.

- Of these 164 farms 9 were New Entrants with 115.41 kgs of loaned quota, 106.8 of which was loaned by the P5.
- DFNB did not receive any applications for the P5 New Entrant program in January 2023.

On July 31, 2024 162 dairy farms held 19,335 kgs of daily quota, 0.6% more than the same period in the previous year.

- Of these 162 farms 9 were New Entrants with 109.41 kgs of loaned quota, 105.31 of which was loaned by the P5
- DFNB did not receive any applications for the P5 New Entrant program in January 2024.

# MILK PURCHASES, SALES & SERVICES

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**191.49 MILLION LITRES TOTAL OF MILK**  
**162.60 M LITRES FROM NB DAIRY FARMS**  
**28.25 M LITRES FROM P5 PROVINCES**  
**0.64 M LITRES FROM DFNL**

DFNB sold the milk it purchased above as follows:  
99.47 M to NB processing plants  
91,62 M to P5 via PLQ & Ontario  
0.18 M was non marketable

The portion of milk directed to the P5 is a requirement under the P5 Agreement and is referred to as Milk Movement Obligations (MMO). MMO was established to ensure that sharing of markets by provincial producer boards did not impact the historical supply to provincial processing plants. MMO now equalizes production between the 5 provinces and also manages growth in yogurt and fine cheeses through a P5 Growth Reserve and any other market expansion programs that the P5 wishes to share.

DFNB collected \$159.6 million in revenues as follows:  
\$95.5 M from the milk it marketed in NB  
\$66.9 M from P10 and P5 pooling activities

DFNB held back \$2.8 M of the above revenues to fund various market development initiatives and programs to manage certain surplus milk components due to processing capacity limitations. Some of these costs are shared with the other provinces through the P10 and P5 pooling mechanism and would be partially offset within the \$66.9 M received from pooling with the P5/P10.

DFNB distributed \$159.6 million as follows:  
\$0.66 M to DFNL  
\$158.94 M to NB dairy farms at rates per kg of butterfat, protein and lactose and other solids determined by the board each month that was within quota and within their SNF Targets.

During the 2023-24 dairy year producers were paid an average of \$97.67/hl of milk or \$22.49/kg of BF. An average liter of milk produced in New Brunswick contained 4.3426% Butterfat, 3.3009% Protein and 5.8866% Lactose.

The average price paid for a KG of Butterfat was \$14.09. The average price paid for a KG of Protein and Lactose below a butterfat to solids non fat ratio of 2.0 was \$10.58 and \$0.90 respectively. Protein and Lactose between a BF to SNF ratio of 2.00 and 2.20 were paid out at a rate of \$1.80/kg and \$0.63/kg respectively. Any SNF produced above a BF/SNF ratio of 2.20 was not compensated for.



# MILK PURCHASES, SALES & SERVICES CONTINUED

## MARKETING SERVICE CHARGES

DFNB deducted the equivalent of \$6.20 per hl from producer revenues to the following services:

*Transportation:* It cost NB producers \$3.81 per hl to haul milk from the farm to the dairies within the P5. DFNB uses the P5 Transportation Formula to compensate bulk milk haulers for the kilometers, labor, fuel and other fixed and variable costs that are deemed necessary to pick up and deliver milk to its various destinations in and out of province. The cost to haul New Brunswick’s milk from the farm to its various destinations was \$11.2 Million or \$6.89 per hl with \$3.81 covered by NB producers with the remaining \$3.08 per hl covered by the P5 transportation pool. The table on the following page lists some general statistics on last year’s transportation activities. DFNB and transporters work together to ensure that milk routes are delivered to destinations in and out of New Brunswick in the most cost effective way possible while taking into account the milking schedules of producers and the delivery times provided by processors. DFNB shipped a larger portion of its own milk to Quebec and Ontario compared to prior years. The main reason for this increase was due to Nova Scotia cascading more of its milk into NB. This reduced overall kilometers traveled for milk leaving the Maritimes thereby reducing P5 transport costs.

*Promotion:* The monthly levy collected was equivalent to \$1.37/hl. DFC national promotion initiatives used \$0.57/hl, DFC-Maritimes NB initiatives used \$0.76/hl and NB Local Promotion Committee used \$0.15/hl for local activities and DFNB drew down the promotion reserve by \$0.11/hl to cover the shortfall between the funds collected from producers and the cost of all the promotion initiatives that totaled \$1.59. The promotion reserve’s balance at July 31, 2024 is reported in the audited financials.

BULK MILK HAULING STATISTICS	WITHIN NB	OUT OF NB	TOTAL	P5
Litres picked up (million)	68.87	93.73	162.6	7,181.06
Routes	2,262	3,246	5,508	239,368 *
Hrs/Route	10.04	19.54	15.64	
\$/route	\$1,980.40	\$2,071.02	\$2,033.81	\$1,115.69 *
\$/hl	\$6.50	\$7.17	\$6.89	\$3.72

\* estimated on average 30,000 liter loads

*Administration, Lab, Research:* The remaining \$1.14 per hl was collected from producers based on on the total solids (TS) each individual producer shipped. These levies were used to offset the Board’s operating costs and other services. A detailed account of these various expenditures are provided in the financial statements. The administration levy was \$0.0744/kg TS or \$1.01/hl, this levy was increased to \$0.0786/kg TS or \$1.06/hl for the 2024/25 fiscal year. The lab levy was \$0.0085/kg TS or \$0.11/hl. The research levy was \$0.0016/kg or \$0.02/hl these levy’s remain unchanged in 2024/25.



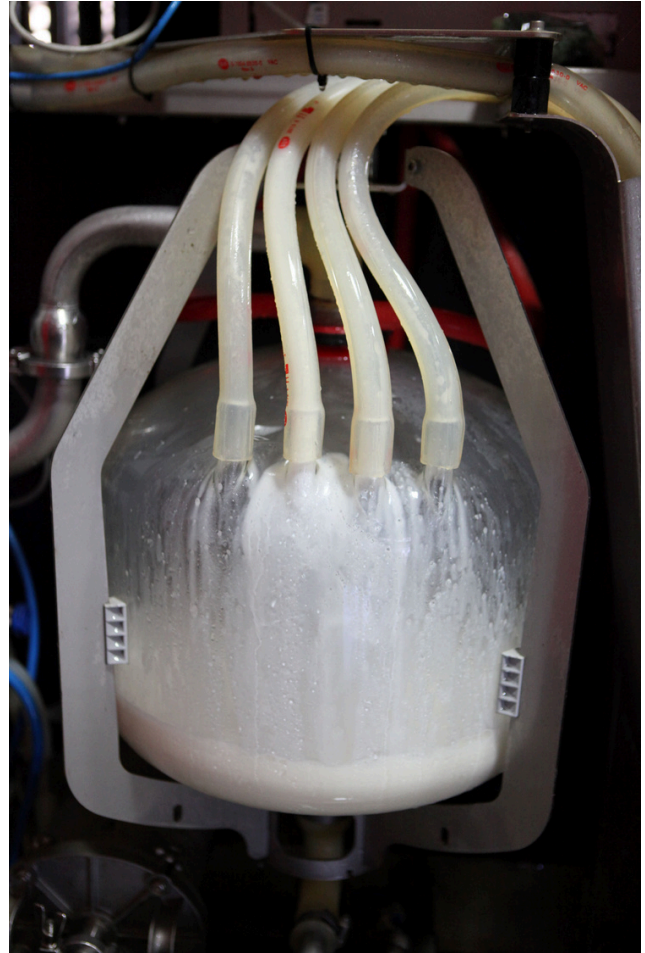


# MILK QUALITY

The Farm Products Commission imposes penalties to producers who do not meet quality standards. These penalties are deposited into the Milk Quality Penalty fund which is used to fund programs to improve milk quality.

During the 2023-24 Dairy Year the fund decreased from \$93,463 to \$76,342. Deposits to the fund totaled \$34,784, with \$30,694 collected through penalties from 28 producers and the remainder generated from interest income. DFNB withdrew \$51,906 from the fund to cover the following:

- \$31,028 in penalties returned to 6 producers under the penalty re-earn program.
- \$6,877 for proactive milk quality funding
- \$14,000 in quality awards.



The table below shows the average of the quality tests in NB and their distribution across various categories.

QUALITY TEST RESULTS	SCC	% LEVEL	IBC	% LEVEL
2023-24 Averages	189,465		64,000	
Level 1	0-75,000	7%	0-20,000	67%
Level 2	75,001-150K	34%	20,001-50K	23%
Level 3	150,001-250K	38%	50,001-75K	4%
Level 4	250,001-400k	18%	75,001-121K	2%
Unacceptable	400,001>	4%	121,001>	4%



# MILK QUALITY AWARDS

## **Producer of the Year**

### **1. Les Fermes Laitières Poupe Ltée**

### **2. Dykstra Farms Knowlesville Inc - Top IBC**

3. Michael & Cordula Inauen

### **4. McCarthy Farms Ltd. - Top SCC**

5. Herb Cochran

6. Sam Freeze

7. Everanne Farms Ltd.

8. 714195 NB Inc

9. Hazelhill Farm Ltd.

10. Salisdairy Farm Ltd.

11. DeMerchant's Dairy Farm

12. Brilman Farms Inc.

13. Creekhorne Farm

14. Ferme République Inc.

15. Forksview Farm Limited

16. Scenichaven Farm Inc.

17. Dutch Hoeve Dairy Farm

18. Pascobac Holsteins

19. Andrew & Robert Buttimer

20. Elmmur Holsteins Inc.

21. Donnelly Holsteins Ltd.

22. Youngdale Dairy Farm

23. Dunphy's Holsteins Ltd

24. Gerald Benson

25. Walkerville Farms Ltd.

26. Willie Leblanc & Sons Ltd.

27. Windybrook Holsteins

28. Dykstra Corner Ltd

29. 734641 NB Ltd.

30. Hallholm Farm

31. Clearland Holsteins Ltd.

32. Sugarhill Farms Ltd.

33. Windymt Farm Ltd.

34. Armadale Farms Ltd.

## **MILK QUALITY AWARDS**

In order to qualify for awards producers had to have all SCC tests be below 400,000; their annual average Somatic Cell Count be below 150,000; all their Regulatory Individual Bacteria Count below 121,000 bacteria/ml and have an average for the dairy year that is 40,000 or less, no penalties, no inhibitors, no added water, no farm premise infractions and are registered on the proAction program and must have not received a proAction penalty over the last dairy year.

The farms are ranked in accordance with their combined ranks for SCC and IBC. The farm with the best combined rank is recognized as the Producer of the Year and awarded \$1000, the farm with the best SCC result is awarded an additional \$500 as is the farm with the best IBC. All farms that met the excellent milk quality criteria were awarded \$500 and a certificate recognizing their accomplishments.

The following producers have repeatedly met the Excellent Quality Milk criteria beginning with the 2006/07 dairy year.

### **10 YEAR RECOGNITION**

Herb Cochran

### **5 YEAR RECOGNITION**

Walkerville Farms Ltd

Forksview Farm Limited

Elmmur Holsteins Inc

### **MULTI-YEAR RECOGNITION**

Scott Robinson (17)

Ronald Trueman (16)

Andrew and Robert M. Buttimer (14)

Les Fermes Laitières Poupe Ltée (12)

Youngdale Dairy Farm Ltd. (12)

Brilman Farms Ltd. (11)

Pascobac Holsteins (11)

McCarthy Farms Ltd.(9)

Everanne Farms Ltd. (9)

Hillmar Farms Ltd (8)

Gerald E. Goodine (8)

Royridge Holsteins (8)

Lawrence's Dairy Farm (8)

Kaye Farms Ltd (8)

Ferme République Inc (8)

Dykstra Farms Knowlesville Inc (8)

Salisdairy Farm Ltd. (8)

Schuttens Holsteins (7)

Royridge Holsteins (7)

Sam Freeze (7)

Windybrook Holsteins (7)

Roga Farm Ltd. (6)

Christie Farms Ltd. (6)

Scenichaven Farm Inc (6)

Dunphy's Holsteins Ltd. (6)

Donnelly Holsteins Ltd (6)

Inauen, Michael & Cordula (6)

Dallingvale Holsteins Ltd.(5)

Ashworth Farms Ltd. (5)

Perryhill Farm Inc. (5)

Diamond Liberty Farms Ltd. (5)

# PROMOTIONS



This year, Dairy Farmers maintained its strong commitment to supporting communities, educating the public, and promoting dairy products throughout New Brunswick. A variety of initiatives advanced these objectives, with Local Milk Committees collaborating closely with their communities and the Promotion Committee successfully coordinating province-wide promotional efforts. The Promotion Committee, chaired by Becky Perry, meets three times annually to plan initiatives, allocate budgets, and strategize for the future. Made up of board members and volunteers representing each Local Milk Committee, the group—listed below—focused on several key priorities this year.

The School Milk Program has been a significant priority over the past year. A survey sent to all schools offered valuable feedback on areas for improvement. In May, the Promotion Committee established a vision for the program's future: to raise awareness and provide a School Milk Program where all New Brunswick students, parents, and schools can seamlessly participate. Efforts have focused on improving communication and enhancing program efficiency. In collaboration with the Department of Education and the Department of Agriculture, which provided funding for software development, DFNB led the design of a new online school milk ordering system. Visit [www.nbmilk.org](http://www.nbmilk.org) to see the changes!

The summer of 2024 introduced exciting new initiatives with the addition of two summer staff members to the promotion team. Grace Ashworth joined as a Content Creator, focusing on planning and producing content for DFNB's newly launched TikTok page. Mary Ann Drummond took on the role of Event Coordinator, attending 10 events over 22 days. Moonica was a highlight at these events, along with samples of cheese and chocolate milk. Province-wide promotions also featured a robotic milking display at the NB-Exhibition. Thank you to Wanda Schuttenbeld for her dedication to making the exhibition a wonderful educational experience for the public. In partnership with Dairy Farmers of Canada, DFNB managed a pilot project of Marketing to Millennials. This project created extra opportunity to engage and share delicious dairy products with university students at various university events across the province. Additionally, DFNB refreshed its online presence with a new logo and website, keeping the brand modern and engaging.

Local Milk Committees further strengthened connections by donating products to sports teams, 4-H groups, and various community organizations. Farm tours and Open Farm Day remained a success in 2024, drawing approximately 1,800 visitors to local farms. Special thanks to the farms that opened their doors for these tours!

Thank you to the Promotion Committee for their dedication and contributions. Becky Perry, Barry Basque, Russell Kaye, John Riordon, Denis Cyr, John Schuttenbeld, Karen Versloot, Frances Freeze, Andrea Beyer, Frank Vanderlaan, Jerry Bos, Bethany Thorne-Dykstra, John Best, and Nick Graham

# PROACTION

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## "STRENGTHENING THE PROACTION PROGRAM THROUGH COLLABORATION, COMMITMENT, AND TRANSPARENCY"

We welcomed Jennifer Dillman to the proAction team as our new Coordinator for Nova Scotia regions 1-3, Prince Edward Island, and Newfoundland. Jennifer, who joined in December 2023 and brings valuable experience from her previous role as a validator. Natasha McKillop continues to support producers in New Brunswick and Nova Scotia regions 4-6, and we'd like to extend our gratitude to Phil Parlee, who filled the coordinator vacancy until Jennifer was hired. Phil's expertise and steady guidance have been invaluable throughout this transition.

With our Coordinators in place, we're moving forward with a strategic plan to implement and support the proAction program across Atlantic Canada. This plan draws insights from the Atlantic proAction Survey, led by New Brunswick and guided by the MEC proAction committee, to strengthen the program and meet producer needs. We encourage your ideas, participation, and feedback as we work to enhance proAction in the region.

Our commitment to quality and transparency continues as provincial coordinators, validators, and national DFC staff undergo regular audits to uphold proAction's standards. Routine internal audits are now complemented by third-party assessments, which include detailed reviews of provincial records, our National Electronic Administration System, and on-farm evaluations.

Looking ahead, updates to the National Dairy Code of Practice will be integrated into the proAction Animal Care module in 2025. Training sessions are being planned to keep producers informed, so please stay tuned for further details in our newsletter.

Thank you for your continued commitment to producing milk, using high-quality, sustainable practices. We appreciate your cooperation and feedback throughout the year, as your input is vital to our shared success.



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# SCHOLARSHIPS



## **DFNB SCHOLARSHIP**

### **Payton Schenkels**

The \$1000 DFNB Scholarship was awarded to Payton Schenkels, of Whitney, NB, who is taking a bachelor of science with a major in Agriculture in the Animal Science program at Dalhousie University.



## **DFNB MEMORIAL SCHOLARSHIP**

### **Hannah Howe**

The \$1000 DFNB Memorial Scholarship was awarded to Hannah Howe of Burton, NB, who is taking a bachelor of science in the Bio veterinary Science program at Dalhousie University.



## **G. B. WHALEN MEMORIAL SCHOLARSHIP**

### **Lisa Wiechmann**

The \$1000 G. B. Whalen Memorial Scholarship was awarded to Lisa Wiechmann of Wickham, NB who is enrolled in the Doctor of Veterinary Medicine program at the Atlantic Veterinary College, through the University of Prince Edward Island.

CONGRATULATIONS TO THE SCHOLARSHIP WINNERS!

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DAIRY FARMERS OF  
NEW BRUNSWICK

Financial Statements

Year Ended July 31, 2024

PRODUCTEURS LAITIERS DU  
NOUVEAU-BRUNSWICK

États Financiers

L'année clos le 31 Juillet 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Dairy Farmers of New Brunswick

### Opinion

We have audited the financial statements of Dairy Farmers of New Brunswick (the "Organization"), which comprise the statement of financial position as at July 31, 2024, and the statements of receipts and expenditures, changes in net assets, cash flows, and schedules 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 Organization as at July 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### 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 Organization in accordance with 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.

### Emphasis of Matter

We draw attention to note 4 in these financial statements, which describes a correction to the presentation of its General Fund. In prior periods, the Organization presented a balance under Contributed Surplus within net assets, that should have been presented under General Fund. Our opinion has not been modified in respect of this matter.

### 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 ASNPO, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Organization'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

## RAPPORT DE L'AUDITEUR INDÉPENDANT

Aux membres des producteurs laitiers du Nouveau-Brunswick

### L'opinion

Nous avons audité les états financiers des Producteurs laitiers du Nouveau-Brunswick (l'« Organisation »), qui comprennent l'état consolidé de la situation financière au 31 juillet 2024, ainsi que les états des recettes et des dépenses, de l'évolution de l'actif et des flux de trésorerie pour l'exercice clos à cette date, ainsi que les notes afférentes aux états financiers, y compris un résumé des principales conventions comptables.

Selon notre opinion, les états financiers ci-joints donnent une image fidèle, à tous les égards importants, de la situation financière consolidée de l'Organisation au 31 juillet 2024, ainsi que des résultats de ses activités et de ses flux de trésorerie pour l'exercice clos à cette date, conformément aux normes comptables canadiennes pour les organisations à but non lucratif (ASNPO).

### Fondement de l'opinion

Nous avons effectué notre vérification conformément aux normes d'audit généralement reconnues du Canada. Nos responsabilités en vertu de ces normes sont décrites plus en détail dans la section de notre rapport intitulée Responsabilités de l'auditeur à l'audit des états financiers. Nous sommes indépendants de l'Organisation conformément aux exigences déontologiques qui s'appliquent à notre vérification des états financiers au Canada, et nous avons rempli nos autres critères éthiques conformément à ces exigences. Nous croyons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion.

### Paragraphe d'observations

Nous attirons l'attention sur la note 4 des présents états financiers, qui décrit une correction apportée à la présentation de son Fonds général. Au cours des exercices précédents, l'Organisation a présenté un solde au Surplus d'apport à l'intérieur de l'actif net, qui aurait dû être présenté au Fonds général. Notre opinion n'a pas été modifiée à cet égard.

### Responsabilités de la direction et des personnes chargées de la gouvernance pour les états financiers

La direction est responsable de la préparation et de la présentation équitable des états financiers conformément à l'ASNPO, ainsi que du contrôle interne qu'elle juge nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que ce soit en raison de fraudes ou d'erreurs.

Lors de l'établissement des états financiers, il incombe à la direction d'évaluer la capacité de l'Organisation de poursuivre son exploitation, de divulguer, le cas échéant, les questions liées à la poursuite de l'exploitation et d'utiliser la méthode de comptabilité de la poursuite de l'exploitation, à moins que la direction n'ait l'intention de liquider l'Organisation ou de cesser ses activités, ou qu'elle n'ait pas d'autre choix réaliste que de le faire.

Les personnes chargées de la gouvernance sont chargées de superviser le processus d'établissement des rapports financiers de l'Organisation.

### Responsabilités de l'auditeur à l'audit des états financiers

Nos objectifs sont d'obtenir une assurance raisonnable quant à savoir si les états financiers dans leur ensemble sont exempts d'anomalies significatives, que ce soit en raison d'une fraude ou d'une erreur, et de publier un rapport de l'auditeur qui comprend notre opinion. Une assurance raisonnable est un niveau élevé d'assurance, mais ne garantit pas qu'un audit mené conformément aux normes d'audit généralement reconnues du Canada détectera toujours une inexactitude importante lorsqu'elle existe. Les

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 Organization'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 Organization'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 Organization 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.



ASCEND LLP

CHARTERED PROFESSIONAL

ACCOUNTANTS

Sussex, New Brunswick

October 29, 2024



inexactitudes peuvent découler d'une fraude ou d'une erreur et sont considérées comme importantes si, individuellement ou globalement, on peut raisonnablement s'attendre à ce qu'elles influencent les décisions économiques des utilisateurs prises sur la base de ces états financiers.

Dans le cadre d'un audit conforme aux normes d'audit généralement reconnues du Canada, nous exerçons un jugement professionnel et maintenons un scepticisme professionnel tout au long de l'audit. Nous avons aussi:

- Identifier et évaluer les risques d'inexactitude importante des états financiers, que ce soit en raison de fraudes ou d'erreurs, concevoir et exécuter des procédures d'audit adaptées à ces risques, et obtenir des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de ne pas détecter une inexactitude importante résultant d'une fraude est plus élevé que pour une déclaration résultant d'une erreur, car la fraude peut impliquer une fraude, une falsification, des omissions intentionnelles, des fausses déclarations ou la dérogation au contrôle interne.
- Acquérir une compréhension du contrôle interne pertinent pour l'audit afin de concevoir des procédures d'audit adaptées aux circonstances, mais pas dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'Organisation.
- Évaluer la pertinence des conventions comptables utilisées et le caractère raisonnable des estimations comptables et des informations connexes faites par la direction.
- Conclure la pertinence de l'utilisation par la direction de la méthode de comptabilité de la poursuite de l'exploitation et, d'après les éléments probants obtenus, déterminer s'il existe une incertitude importante liée à des événements ou à des conditions qui peuvent jeter un doute important sur l'habileté de l'Organisation à continuer d'exister en tant qu'entreprise en exploitation. Si nous concluons qu'il existe une incertitude importante, nous sommes tenus d'attirer l'attention dans notre rapport de l'auditeur sur les informations connexes contenues dans les états financiers ou, si ces informations sont insuffisantes, de renforcer notre opinion. Nos conclusions sont fondées sur les éléments probants obtenus jusqu'à la date du rapport de notre vérificateur. Toutefois, des événements ou des conditions futurs pourraient amener l'Organisation à cesser d'être une entreprise en exploitation.
- Évaluer la présentation globale, la trêve et le contenu des états financiers, y compris les informations fournies, et déterminer si les états financiers représentent les opérations et les événements sous-jacents d'une manière qui permet une présentation équitable.

Nous communiquons avec les responsables de la gouvernance au sujet, entre autres, de la portée et du calendrier prévus de l'audit et des constatations importantes de l'audit, y compris toute lacune importante dans le contrôle interne que nous avons relevée au cours de notre vérification.



Dairy Farmers of New Brunswick  
Statement of Receipts and Expenditures  
For the year ended July 31, 2024

Producteurs laitiers du Nouveau-Brunswick  
État des résultats  
Exercice clos le 31 juillet 2024

	2024	2023	
	\$	\$	
<b>RECEIPTS</b> (Schedules 1 and 2)			<b>RECETTES</b> (Tableaux 1 et 2)
Milk pricing	173,093,398	167,023,196	Établissement des prix du lait
Quota exchange	3,435,900	3,076,800	Échange de quota
General	1,890,168	1,767,322	Général
Indemnity	221,115	117,869	Indemnité
Milk quality penalty reserve	34,785	64,842	Pénalités sur qualité du lait
	<u>178,675,366</u>	<u>172,050,029</u>	
<b>EXPENDITURES</b> (Schedules 1 and 2)			<b>DÉPENSES</b> (Tableaux 1 et 2)
Milk pricing	173,093,398	167,023,196	Établissement des prix du lait
Quota exchange	3,435,900	3,076,800	Échange de quota
General	1,925,798	1,801,306	Général
Milk quality penalty reserve	59,836	15,442	Pénalités sur la qualité du lait
	<u>178,514,932</u>	<u>171,916,744</u>	
<b>EXCESS OF RECEIPTS OVER EXPENDITURES FROM OPERATIONS</b>	<b>160,434</b>	<b>133,285</b>	<b>EXCÉDENT DES RECETTES SUR LES DÉPENSES DES OPÉRATIONS</b>
<b>OTHER EXPENSES</b>			<b>AUTRES DÉPENSES</b>
Write down of tangible capital assets	-	117,261	Passage en perte des immobilisations corporelles
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b>	<b>160,434</b>	<b>16,024</b>	<b>EXCÉDENT DES RECETTES SUR LES DÉPENSES</b>

The accompanying notes are an integral part of these financial statements

Les notes complémentaires font partie intégrante des présents états financiers

Dairy Farmers of New Brunswick  
Statement of Changes in Net Assets  
For the year ended July 31, 2024

Producteurs laitiers du Nouveau-Brunswick  
État consolidé de l'évolution de l'actif net  
Exercice clos le 31 juillet 2024

	Contributed surplus	General fund (Note 2)	Indemnity fund (Note 2)	Milk quality penalty reserve fund (Note 2)	2024	2023 (Adjusted)	
	Surplus d'apport	Fonds général (Note 2)	Fonds d'indemnisation (Note 2)	Fonds de pénalités sur qualité (Note 2)	\$	(Ajusté) \$	
	\$	\$	\$	\$	\$	\$	
<b>NET ASSETS—BEGINNING OF YEAR</b>							<b>ACTIFS NETS—DÉBUT DE L'EXERCICE</b>
As previously reported	38,617	429,743	2,440,865	92,964	3,002,189	2,986,165	Tel que présenté antérieurement
Prior period adjustment (Note 4)	(38,617)	38,617	-	-	-	-	Ajustement à la période antérieur (Note 4)
As restated		468,360	2,440,865	92,964	3,002,189	2,986,165	Tel que redressé
Excess/(Deficiency) of receipts over expenditures	-	(35,630)	221,115	(25,051)	160,434	16,024	Excédant/ (Insuffisance) de recettes sur dépenses
<b>NET ASSETS—END OF YEAR</b>	<b>-</b>	<b>432,730</b>	<b>2,661,980</b>	<b>67,913</b>	<b>3,162,623</b>	<b>3,002,189</b>	<b>ACTIFS NET-CLÔTURE</b>

The accompanying notes are an integral part of these financial statements

Les notes complémentaires font partie intégrante des présents états financiers

Dairy Farmers of New Brunswick  
Statement of Financial Position  
As at July 31, 2024

Producteurs laitiers du Nouveau-Brunswick  
Bilan  
au 31 juillet 2024

	2024	2023 <i>(Adjusted)</i> <i>(Ajusté)</i>	
	\$	\$	
<b>ASSETS</b>			<b>ACTIF</b>
<b>CURRENT</b>			<b>À COURT TERME</b>
Cash	-	-	Encaisse
Accounts receivable (Note 5)	11,669,426	10,643,272	Comptes débiteurs (Note 5)
Prepaid expenses	45,403	12,554	Frais payés d'avance
Inventory	25,739	-	Inventaire
	<u>11,740,568</u>	<u>10,655,826</u>	
<b>RESTRICTED CASH AND MARKETABLE SECURITIES (Note 6)</b>	2,729,893	2,533,829	<b>ENCAISSE ET TITRES NÉGOCIABLES AFFECTÉE (Note 6)</b>
<b>INTANGIBLE ASSETS (Note 7)</b>	356,458	8,100	<b>IMMOBILISATIONS INCORPORELLES (Note 7)</b>
<b>TANGIBLE CAPITAL ASSETS (Note 8)</b>	163,425	138,576	<b>IMMOBILISATIONS CORPORELLES (Note 8)</b>
	<u>14,990,344</u>	<u>13,336,331</u>	
<b>LIABILITIES AND NET ASSETS</b>			<b>PASSIF</b>
<b>CURRENT</b>			<b>À COURT TERME</b>
Demand operating loan (Note 9)	3,001,580	1,659,253	Emprunt d'exploitation sur demande (Note 9)
Accounts payable and accrued liabilities (Note 10)	1,684,880	2,122,761	Comptes fournisseurs et charges à payer (Note 10)
Producer payables (Note 11)	6,915,397	6,552,128	Charges payables aux producteurs (Note 11)
	<u>11,601,857</u>	<u>10,334,142</u>	
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 12)</b>	225,864	-	<b>CONTRIBUTIONS AUX IMMOBILISATIONS REPORTÉS (Note 12)</b>
	<u>11,827,721</u>	<u>10,334,142</u>	
<b>NET ASSETS</b>			<b>ACTIF NET</b>
General	432,730	468,360	Général
Indemnity Fund	2,661,980	2,440,865	Fond d'indemnité
Milk Quality Penalty Reserve Fund	67,913	92,964	Fond de pénalité sur la qualité du lait
	<u>3,162,623</u>	<u>3,002,189</u>	
	<u>14,990,344</u>	<u>13,336,331</u>	

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director  
  
\_\_\_\_\_  
Director

AU NOM DU CONSEIL D'ADMINISTRATION

The accompanying notes are an integral part of these financial statements

Les notes complémentaires font partie intégrante des présents états financiers

**Dairy Farmers of New Brunswick  
Statement of Cash Flows  
For the year ended July 31, 2024**

**Producteurs laitiers du Nouveau-Brunswick  
État des flux de trésorerie  
Exercice clos le 31 juillet 2024**

	2024	2023	
	\$	\$	
<b>OPERATING ACTIVITIES</b>			<b>ACTIVITÉS DE FONCTIONNEMENT</b>
Excess of receipts over expenditures	160,434	16,024	Excédent des recettes sur les dépenses
Items not affecting cash:			Article n'affectant pas la trésorerie:
Amortization of tangible capital assets (Schedule 2)	18,211	10,368	Amortissement d'immobilisations corporelles (Tableau 2)
Unrealized gain on marketable securities (Schedule 1)	(150,564)	(52,308)	Gains non-réalisés sur titres négociables (Tableau 1)
Interest from marketable securities	(34,043)	(28,205)	Intérêts des titres négociables
Write down of tangible capital assets	-	117,261	Passage en perte des immobilisations corporelles
	<u>(5,962)</u>	<u>63,140</u>	
Change in non-cash working capital:			Variation au fonds de roulement liés à l'exploitation
Accounts receivable	(1,026,154)	990,553	Comptes débiteurs
Prepaid expenses	(32,849)	(4,499)	Charges payées d'avance
Inventory	(25,739)	-	Inventaire
Accounts payable and accrued liabilities	(437,881)	(443,769)	Comptes fournisseurs et charges à payer
Producer Payable	363,269	(6,054,453)	Payable aux producteurs
	<u>(1,159,354)</u>	<u>(5,512,168)</u>	
Cash flow used by operating activities	<u>(1,165,316)</u>	<u>(5,449,028)</u>	Flux de trésorerie d'exploitation
<b>INVESTING ACTIVITIES</b>			<b>ACTIVITÉS D'INVESTISSEMENT</b>
Purchase of tangible capital assets	(43,060)	(7,770)	Acquisition d'immobilisations corporelles
Purchase of intangible assets	(348,358)	(8,100)	Acquisition d'immobilisations incorporelles
Purchase of marketable securities	(475,450)	(176,348)	Achat de titres négociables
Proceeds on marketable securities	272,825	339,927	Revenus de titres négociables
Change in restricted cash	191,168	(250,335)	Changement de l'encaisse affectée
Deferred capital contributions	225,864	-	Contributions aux immobilisations reportés
	<u>(177,011)</u>	<u>(102,626)</u>	Flux de trésorerie provenant d'activités d'investissement
Cash flow used by investing activities	<u>(177,011)</u>	<u>(102,626)</u>	
<b>DECREASE IN CASH FLOW</b>	<b>(1,342,327)</b>	<b>(5,551,654)</b>	<b>DIMINUTION AU FLUX DE TRÉSORERIE</b>
Cash and cash equivalent — beginning of year	<u>(1,659,253)</u>	<u>3,892,401</u>	Trésorerie et équivalent de trésorerie — début de l'exercice
<b>CASH AND CASH EQUIVALENT — END OF YEAR</b>	<b><u>(3,001,580)</u></b>	<b><u>(1,659,253)</u></b>	<b>TRÉSORERIE ET ÉQUIVALENT DE TRÉSORERIE — FIN DE L'EXERCICE</b>

The accompanying notes are an integral part of these financial statements

Les notes complémentaires font partie intégrante des présents états financiers

## 1. NATURE OF OPERATIONS AND GOVERNING STATUTES

Dairy Farmers of New Brunswick (the "Organization") is a regulatory body created under and by virtue of the Natural Products Act of the Province of New Brunswick. The Organization markets milk produced within the province of New Brunswick and distributes funds to producers. The Organization reports milk utilization to the Canadian Dairy Commission ("CDC") who distributes funds in respect of milk and dairy products in interprovincial trade and international trade, pursuant to prevailing pooling agreements among the members of the pool. As a registered charity, the Organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The activities of the Organization include the following:

### Milk pricing

The Organization has legislative authority to purchase milk from New Brunswick milk producers and sell milk to processors for processing into milk products. The milk products are paid for by processors at the legislated prices according to reported utilization in various classes and recorded as revenue for Organization. Organization makes payments to producers for raw milk received and in turn collects payment from processors for milk purchased and utilized in production.

The Organization, along with other provincial signatories, has entered into an arrangement with other provinces to equalize the milk prices paid to producers throughout the participating provinces. To provide for the equalization function, provinces have engaged the services of the CDC to determine an amount billable to or (receivable from) each respective province participating in the pool. The monthly equalization billed to (receivable from) that result are in turn, billed (paid) by the Organization back to milk producers in the province. Milk haulage costs are also equalized. Milk haulage revenue includes amounts collected by the Organization from equalization while milk haulage expense represents amounts paid to transporters for the pick-up and distribution of milk and any equalization payments required. Through a service agreement with Dairy Farmers of Canada ("DFC"), a promotional levy is collected from producers and remitted to DFC to cover certain promotional programs and services delivered by DFC.

### Quota exchange

The Natural Products Act and Regulations provide the authority and mechanism for the operation of a quota exchange by the Organization. The quota system is a means whereby the Organization regulates the supply of milk by producers to processors. The quota exchange is a mechanism to allow individual producers the flexibility to increase or decrease their individual share of the provincial market. Producer offers to buy/sell quota (market share) are received by the Organization and are accepted/rejected on the monthly quota exchange in accordance with the Organization's regulations and policy.

### General

All other revenue and expenditures are considered to be part of its general operations, with any resulting surplus or deficit forming the accumulated balance of the general fund. The Organization has a surplus policy which states that any surplus within the general fund in excess of fifty percent of the subsequent year budgeted expenditures may, at the discretion of the Board, be reimbursed to the producers.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### Fund accounting

#### Fund accounting

The Organization follows the deferral method of fund accounting. The resources for various purposes are classified for accounting and reporting purposes into the fund established according to their nature and purpose. The Organization records its activities in the following funds.

## 1. NATURE DES OPÉRATIONS ET STATUTS DE DÉPASSEMENT

Les Producteurs laitiers du Nouveau-Brunswick (l'« Organisation ») est une organisation de réglementation créée en vertu de la Loi sur les produits naturels de la province du Nouveau-Brunswick. L'Organisation commercialise le lait produit dans la province du Nouveau-Brunswick et distribue des fonds aux producteurs. L'Organisation déclare l'utilisation du lait à la Commission canadienne du lait (« CCL ») qui distribue des fonds pour le lait et les produits laitiers dans le commerce interprovincial et le commerce international, conformément aux accords de mise en commun en vigueur entre les membres du pool. En tant qu'organisme de bienfaisance enregistré, l'Organisation est exonéré du paiement de l'impôt sur le revenu en vertu du paragraphe 149(1) de la Loi de l'impôt sur le revenu.

Les activités de l'Organisation sont notamment les suivantes :

### Prix du lait

L'Organisation a le pouvoir législatif d'acheter du lait des producteurs de lait du Nouveau-Brunswick et de vendre du lait aux transformateurs pour qu'il le transforme en produits laitiers. Les produits laitiers sont payés par les transformateurs aux prix prévus par la loi selon l'utilisation déclarée dans diverses catégories et comptabilisés comme recettes pour l'Organisation. L'Organisation verse des paiements aux producteurs pour le lait cru reçu et, à son tour, perçoit les paiements des transformateurs pour le lait acheté et utilisé dans la production.

L'Organisation, de concert avec d'autres signataires provinciaux, a conclu une entente avec d'autres provinces pour égaliser les prix du lait payés aux producteurs dans l'ensemble des provinces participantes. Pour assurer la fonction de péréquation, un montant est calculé et facturé à (à recevoir de) la CCL chaque mois. Afin de compléter la péréquation mensuelle, les provinces ont engagées les services de la CCL pour déterminer les montants facturés à ou (à recevoir de) de chacune des provinces participants dans la mise en commun. La mise en commun mensuelle qui en résulte est à son tour facturée au ou (payable par) l'Organisation aux producteurs de lait de la province. Les coûts de transport du lait sont également égalisés. Les recettes provenant du transport du lait comprennent les montants perçus par l'Organisation au titre de la péréquation, tandis que les frais de transport du lait représentent les montants versés aux transporteurs pour la collecte et la distribution du lait et tout paiement de péréquation requis. Dans le cadre d'une entente de service avec les Producteurs laitiers du Canada (« PLC »), une redevance promotionnelle est perçue auprès des producteurs et versée aux PLC pour couvrir certains programmes et services promotionnels offerts par les PLC.

### Échange de quotas

La Loi sur les produits naturels et son règlement d'application confèrent à l'Organisation l'autorité et le mécanisme d'un échange de quotas. Le système de quotas est un moyen par lequel l'Organisation réglemente l'approvisionnement en lait des transformateurs par les producteurs. L'échange de quotas est un mécanisme qui permet aux producteurs individuels d'avoir la souplesse nécessaire pour augmenter ou diminuer leur part individuelle du marché provincial. Les offres de producteur d'acheter/vendre le quota (part de marché) sont reçues par l'Organisation et sont acceptées/rejetées sur l'échange mensuel de quotas conformément aux règlements et à la politique de l'Organisation.

### Généralités

Toutes les autres recettes et dépenses sont considérées comme faisant partie de ses opérations générales, tout excédent ou déficit qui en résulte constituant le solde accumulé du fonds général. L'Organisation a une politique d'excédent qui stipule que tout excédent du fonds général supérieur à cinquante pour cent des dépenses budgétisées de l'année suivante peut, à la discrétion du conseil, être remboursé aux producteurs.

## 2. RÉSUMÉ DES CONVENTIONS COMPTABLES

### Base de présentation

Les états financiers ont été préparés conformément aux normes comptables canadiennes pour les organismes sans but lucratif (ASNPO).

### Comptabilité de fonds

#### Comptabilité de fonds

L'Organisation suit la méthode du report de la comptabilité par fonds. Les ressources à diverses fins sont classées à des fins de comptabilité et d'établissement de rapports dans le fonds établi en fonction de leur nature et de leur objet. L'Organisation comptabilise ses activités dans les fonds ci-après.



#### General Fund

The General Fund accounts for all resources over which the Board of Directors has discretionary control to use in carrying on the day-to-day operation of the Organization.

#### Indemnity Fund

The Indemnity Fund accounts for all restricted cash and marketable securities. The Indemnity Fund is used to indemnify producers against financial loss suffered by them on their behalf in respect of the marketing of raw milk.

#### Milk Quality Penalty Reserve Fund

The Milk Quality Penalty Reserve Fund accumulates funds from penalties imposed by the New Brunswick Farm Products Commission for quality infractions by milk producers. Funds are disbursed for the purposes of maintaining and improving raw milk in New Brunswick. The programs to maintain and improve raw milk quality are approved by the New Brunswick Farm Products Commission and administered by the Organization.

#### Financial instruments policy

##### Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of the transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures its financial assets and liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable and restricted cash and guaranteed investment certificates. Financial liabilities measured at amortized cost include demand operating loan, accounts payable and accrued liabilities and producer payables.

Financial assets measured at fair value are restricted marketable securities.

#### Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. Where there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in income in the period in which they become known. Actual results could differ from these estimates. Significant items subject to estimates and assumptions include:

- Amortization of tangible and intangible capital assets; and
- Estimated useful lives of intangible and tangible capital assets.

#### Fonds général

Le Fonds général comptabilise toutes les ressources sur lesquelles le Conseil d'administration a un contrôle discrétionnaire à utiliser pour mener à bien le fonctionnement quotidien de l'Organisation.

#### Fonds d'indemnisation

Le Fonds d'indemnisation comptabilise toutes les liquidités restreintes et les titres négociables. Le Fonds d'indemnisation est utilisé pour indemniser les producteurs contre les pertes financières qu'ils ont subies en leur nom en ce qui concerne la commercialisation du lait cru.

#### Fonds de réserve pour pénalités pour la qualité du lait

Le Fonds de réserve pour les pénalités pour la qualité du lait accumule des fonds provenant des pénalités imposées par la Commission des produits agricoles du Nouveau-Brunswick pour les infractions relatives à la qualité par les producteurs de lait. Des fonds sont versés dans le but de maintenir et d'améliorer le lait cru au Nouveau-Brunswick. Les programmes visant à maintenir et à améliorer la qualité du lait cru sont approuvés par la Commission des produits de fermes du Nouveau-Brunswick et administrés par l'Organisation.

#### Politique sur les instruments financiers

##### Mesure des instruments financiers

L'Organisation mesure d'abord ses actifs et passifs financiers à la juste valeur ajustée, dans le cas d'un instrument financier qui ne sera pas évalué ultérieurement à la juste valeur, par le montant des coûts de transaction directement imputables à l'instrument. Les montants dus à des parties liées et en provenance de ceux-ci sont évalués au montant d'échange, c'est-à-dire le montant convenu par les parties liées.

L'Organisation mesure par la suite ses actifs et passifs financiers au coût ou au coût amorti, à l'exception des instruments dérivés et des titres de participation cotés sur un marché actif, qui sont ensuite évalués à la juste valeur. Les variations de la juste valeur sont comptabilisées dans le bénéfice net.

Les actifs financiers évalués au coût amorti comprennent les comptes débiteurs et les espèces restreintes et certificats de placement garanti. Les passifs financiers évalués au coût amorti comprennent l'emprunt d'exploitation sur demande, les comptes fournisseurs et les charges à payer ainsi que les charges à payer aux producteurs.

Les actifs financiers évalués à la juste valeur sont des titres négociables restreints.

#### Affaiblissement des facultés

En ce qui concerne les actifs financiers évalués au coût ou au coût amorti, l'Organisation détermine s'il y a des indications de dépréciation possible. Lorsqu'il y a une indication de dépréciation et que l'Organisation détermine qu'un changement défavorable important s'est produit au cours de l'exercice dans le calendrier ou le montant prévu des flux de trésorerie futurs, une dépréciation est comptabilisée dans les recettes. Une perte de valeur précédemment reconnue peut être annulée. La valeur comptabilisée de l'actif financier ne peut être supérieure au montant qui aurait été déclaré à la date de l'annulation si la dépréciation n'avait pas été comptabilisée précédemment. Le montant de l'annulation est comptabilisé dans le revenu.

#### Incertitude de mesure

La préparation des états financiers conformément aux normes comptables canadiennes pour les organismes sans but lucratif exige de la direction qu'elle fasse des estimations et des hypothèses qui influent sur le montant déclaré de l'actif et du passif, la divulgation des passifs éventuels à la date des états financiers et les montants déclarés des revenus et des charges au cours de l'exercice. Ces estimations sont examinées périodiquement et tous les ajustements nécessaires sont déclarés dans les revenus de la période au cours de laquelle ils sont connus. Les résultats réels pourraient différer de ces estimations. Les éléments importants assujettis à des estimations et à des hypothèses sont les suivants :

- Amortissement des immobilisations corporelles et incorporelles; et
- Durée de vie utile estimative des immobilisations corporelles et incorporelles.

Revenue recognition

Revenue from milk sold to processors is recognized when milk has been delivered. Quota exchange receipts are recognized as revenue in the period the quota is sold. Lease revenue is recognized on a monthly basis as it is earned. The amount to be received must be reasonably estimated and collection is reasonably assured.

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred capital contributions represent contributions to the Organization for the purchase of intangible and tangible capital assets. These contributions are amortized to revenue on the same basis as the related intangible and tangible capital assets are amortized to expense.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks and cheques issued and outstanding, demand operating loans and bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, under cash and cash equivalent.

Inventory

Inventory of testing supplies is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

The amount of inventory included in general expenditures is \$20,514 (2023 - \$0)

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Buildings	5%
Office furniture and equipment	20%
Data processing equipment	30%

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

Amortization is recognized beginning in the month the asset is available for use until the asset is disposed of or use is discontinued.

Certain costs related to data processing equipment under development are capitalized to tangible capital assets when it is probable that such costs will bring future economic benefit to the Organization and will only be amortized once the equipment is ready and available for use.

Intangible assets

Intangible assets consist of accumulated costs related to acquiring a payment processing system. The payment processing system will be amortized over its useful life. Intangible assets acquired during the year but not placed into use are not amortized until they are available for use. At year end, the intangible asset was not available for use.

**3. FINANCIAL INSTRUMENT RISKS**

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of July 31, 2024:

Constatation des produits

Les revenus provenant du lait vendu aux transformateurs sont constatés lorsque le lait a été livré. Les recettes d'échange de quotas sont comptabilisées à titre de revenus dans la période où le quota est vendu. Les revenus de location sont constatés sur une base mensuelle au fur et à mesure qu'ils sont gagnés. Le montant à recevoir doit faire l'objet d'une estimation raisonnable et le recouvrement est raisonnablement assuré.

L'Organisation suit la méthode du report de comptabilisation des contributions. Les contributions affectées sont comptabilisées à titre de revenus dans l'exercice au cours duquel les charges connexes sont engagées. Les contributions non affectées sont comptabilisées à titre de recettes lorsqu'elles sont reçues ou à recevoir si le montant à recevoir peut être raisonnablement estimé et si le recouvrement est raisonnablement assuré.

Les immobilisations reportées représentent des contributions à l'Organisation pour l'achat d'immobilisations incorporelles et d'immobilisations corporelles. Ces immobilisations reportées sont amorties aux revenus sur la même base que les immobilisations incorporelles et corporelles connexes sont amorties aux charges.

Trésorerie et équivalents de trésorerie

La trésorerie et les équivalents de trésorerie se composent de l'encaisse, des dépôts auprès des banques et des chèques émis et en cours et les prêts d'exploitation à la demande et découverts bancaires dont les soldes fluctuent fréquemment, allant de positifs à découverts, sous trésorerie et équivalents de trésorerie..

Inventaire

L'inventaire des fournitures d'échantillons est évalué au moindre du coût et de la valeur de réalisation nette, le coût étant déterminé selon la méthode du premier arrivé, premier sorti.

Le montant de l'inventaire inclus dans les dépenses générales est de 20 514 \$ (2023 - 0 \$)

Immobilisations corporelles

Les immobilisations corporelles sont comptabilisées au coût ou au coût réputé moins l'amortissement accumulé et sont amorties sur leur durée de vie utile estimative selon la méthode de l'amortissement à la baisse aux taux suivants :

Bâtiments	5%
Mobilier et matériel de bureau	20%
Équipement de traitement des données	30%

L'Organisation examine régulièrement ses immobilisations corporelles afin d'éliminer les articles périmés.

Les immobilisations corporelles acquises au cours de l'exercice mais non disponibles pour utilisation ne sont pas amorties tant qu'elles n'ont pas été mises en service.

L'amortissement est constaté à partir du mois où l'actif est disponible jusqu'à ce que l'actif soit aliéné ou qu'il soit abandonné.

Certains coûts liés à l'équipement de traitement des données en cours de développement sont capitalisés sur des immobilisations corporelles lorsqu'il est probable que ces coûts apporteront des avantages économiques futurs à l'Organisation et ne seront amortis que lorsque l'équipement sera prêt et disponible pour l'utilisation.

Immobilisations incorporelles

Les immobilisations incorporelles comprennent les coûts accumulés liés à l'acquisition d'un système de traitement des paiements. Le système de traitement des paiements sera amorti sur sa durée de vie utile. Les immobilisations incorporelles acquises au cours de l'exercice mais non mises en service ne sont pas amorties tant qu'elles ne sont pas disponibles. À la fin de l'exercice, l'immobilisation incorporelle n'était pas disponible pour utilisation.

**3. RISQUES LIÉS AUX INSTRUMENTS FINANCIERS**

L'Organisation est exposée à divers risques par le biais de ses instruments financiers et dispose d'un cadre global de gestion des risques pour surveiller, évaluer et gérer ces risques. L'analyse suivante fournit des renseignements sur l'exposition au risque et la concentration de l'Organisation au 31 juillet 2024:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from its customers. The Organization does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. The Organization is subject to concentration of risk as 98% (2023 - 98%) of its accounts receivable are owed from 3 customers (2023 - 3), two provincial milk processors and the Canadian Dairy Commission (CDC). Subsequent to year end, 100% of the three customers receivables were collected.

Liquidity risk

Liquidity risk is the risk that the Organization may not have cash available to satisfy financial liabilities as they come due. Management oversees liquidity risk to ensure the Organization has access to enough readily available funds to cover its financial obligations as they become due. The Organization manages liquidity risk by continuously monitoring actual daily cash flows and longer term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, demand operating loan, accounts payable and accrued liabilities, and producer payables.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is exposed to interest rate risk and other price risk.

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. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its interest bearing credit facilities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments in marketable securities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, currency or other price risks arising from these financial instruments.

**4. PRIOR PERIOD ADJUSTMENT**

During the year, the Organization has determined that the presentation of Contributed Surplus as a separate component of net assets is incorrect, and it should be included in the Organization's General Fund. The opening balance of the General Fund has been increased by \$38,617 as at August 1, 2022 has been restated to reflect the change. There was no impact on the total net assets for the prior year.

**5. ACCOUNTS RECEIVABLE**

	2024 \$	2023 \$
Canadian Dairy Commission	6,259,419	5,456,161
Trade receivables	5,042,515	4,902,080
HST Receivable	367,492	285,031
	<b>11,669,426</b>	<b>10,643,272</b>

Risque de crédit

Le risque de crédit découle de la possibilité qu'une contrepartie ne s'acquitte pas de ses obligations. L'Organisation est exposée au risque de crédit de ses clients. L'Organisation n'obtient pas de sûretés ou d'autres sûretés pour étayer les comptes débiteurs soumis au risque de crédit, mais elle atténue ce risque en ne traitant que de ce que la direction estime être des contreparties financièrement saines et, par conséquent, ne prévoit pas de pertes importantes en cas d'insécurité. L'Organisation est assujettie à la concentration des risques, car 98 % (98 % en 2023) de ses comptes débiteurs sont dus par 3 clients (2023 - 3), deux transformateurs de lait provinciaux et la Commission canadienne du lait (CCL). Après la fin de l'exercice, 100 % des trois comptes débiteurs des clients ont été recouvrés.

Risque de liquidité

Le risque de liquidité est le risque que l'Organisation ne dispose pas de liquidités pour s'acquitter de ses obligations financières à leur échéance. La direction supervise le risque de liquidité pour s'assurer que l'Organisation a accès à suffisamment de fonds facilement disponibles pour couvrir ses obligations financières à mesure qu'elles deviennent exigibles. L'Organisation gère le risque de liquidité en surveillant en permanence les flux de trésorerie quotidiens réels et les flux de trésorerie prévus à plus long terme et en surveillant les profils d'échéance des actifs et des passifs financiers. L'Organisation est exposée à ce risque principalement en ce qui concerne la réception de fonds de ses clients et d'autres sources connexes, prêt d'exploitation sur demande, les comptes fournisseurs et les charges à payer ainsi que les charges à payer aux producteurs.

Risque de marché

Le risque de marché est le risque que la juste valeur ou les flux de trésorerie futurs d'un instrument financier fluctuent en raison des variations des prix du marché. Le risque de marché comprend trois types de risque : le risque de change, le risque de taux d'intérêt et d'autres risques de prix. L'Organisation est exposée au risque du taux d'intérêt et d'autre risque de prix.

Risque de taux d'intérêt

Le risque de taux d'intérêt est le risque que la valeur d'un instrument financier soit affectée négativement par une modification des taux d'intérêt. En s'efforçant de réduire au minimum les risques liés aux fluctuations des taux d'intérêt, l'Organisation gère l'exposition par le biais de ses activités normales de fonctionnement et de financement. L'Organisation est exposée au risque d'intérêt principalement par le biais de ses facilités de crédit qui sont sujet aux taux d'intérêt.

Autre risque de prix

L'autre risque de prix est le risque que la juste valeur ou les flux de trésorerie futurs d'un instrument financier fluctuent en raison des variations des prix du marché (autres que celles découlant du risque de taux d'intérêt ou du risque de change), que ces changements soient causés par des facteurs propres à l'instrument financier individuel ou à son émetteur, ou par des facteurs affectant tous les instruments financiers similaires négociés sur le marché. L'Organisation est exposée à d'autres risques de prix en investissant dans des titres négociables.

Sauf indication contraire, la direction est d'avis que l'Organisation n'est pas exposée à d'importants risques de crédit, de change ou autres risques de prix découlant de ces instruments financiers.

**4. AJUSTEMENT DE LA PÉRIODE ANTÉRIEURE**

Au cours de l'exercice, l'Organisation a déterminé que la présentation de l'excédent d'apport en tant qu'élément distinct de l'actif net était incorrecte et qu'il devrait être inclus dans le Fonds général de l'Organisation. Le solde d'ouverture du Fonds général a été augmenté de 38 617 \$ au 1er août 2022 pour tenir compte du changement. Il n'y a eu aucune incidence sur l'actif net total de l'exercice précédent.

**5. DÉBITEURS**

	2024 \$	2023 \$
Commission canadienne du lait	5,456,161	5,456,161
Receivables des clients	4,902,080	4,902,080
TVH receivable	367,492	285,031
	<b>11,669,426</b>	<b>10,643,272</b>

#### 6. RESTRICTED CASH AND MARKETABLE SECURITIES

Restricted cash and marketable securities are comprised of the following:

	2024 \$	2023 \$
Milk quality penalty reserve fund—cash	67,913	92,964
Indemnity Fund—cash	906	203,403
Indemnity Fund—guaranteed investment certificates	1,289,931	1,024,405
Indemnity Fund— Equity	1,371,143	1,213,057
	<u>2,729,893</u>	<u>2,533,829</u>

The guaranteed investment certificates earn interest from 1.38% to 5.30% with maturity dates ranging from September 2024 to July 2029. The carrying value of the guaranteed investment certificates as at year end is \$1,228,000 (2023 - \$970,000).

The carrying value of the Organization's equity investments as at year end is \$827,559 (2023 - \$815,407)

#### 6. LIQUIDITÉS AFFECTÉES ET TITRES NÉGOCIABLES

Les liquidités affectées et les titres négociables sont les suivants :

Fonds de réserve des pénalités pour qualité—encaisse	92,964
Fond d'indemnité—Encaisse	203,403
Fond d'indemnité—Certificats de dépôt garantis	1,024,405
Fond d'indemnité—placement en	1,213,057

Les certificats de placement garanti rapportent des intérêts de 1,38 % à 5,30 %, avec des dates d'échéance allant de septembre 2024 à juillet 2029. La valeur de réalisation des certificats de placement garanti à la fin de l'exercice est de 1 228 000 \$ (970 000 \$ en 2023).

La valeur de réalisation des placements en actions de l'Organisation à la fin de l'exercice est de 827 559 \$ (815 407 \$ en 2023).

#### 7. INTAGIBLE ASSETS

	2024 \$	2023 \$
Payment processing system	356,458	8,100

Amortization was not recognized in the current year as the payment processing system was not available for use as at year end.

#### 7. IMMOBILISATIONS INCORPORELLES

L'amortissement n'a pas été constaté dans l'exercice en cours, car le système de traitement des paiements n'était pas disponible à la fin de l'exercice.

#### 8. TANGIBLE CAPITAL ASSETS

	2024	2023
	Cost	Accumulated Amortization
	Coût	Amortissement cumulé
	\$	\$
Land	17,850	-
Building	503,351	400,836
Office furniture and equipment	197,363	197,363
Data processing equipment	160,178	117,118
	<u>843,782</u>	<u>715,317</u>
	Net book value	Net book value
	Valeur net aux livres	Valeur net aux livres
	\$	\$
	17,850	17,850
	102,515	108,215
	-	4,173
	43,060	8,338
	<u>163,425</u>	<u>138,576</u>

No amortization was recorded on the data processing equipment as it was not available for use at year end.

Aucun amortissement a été enregistré sur l'équipement de traitement des données, car il n'était pas disponible pour une utilisation à la fin de l'exercice.

#### 9. DEMAND OPERATING LOAN

The Organization has an unsecured operating demand loan with the Bank of Montreal, with a maximum authorized limit of \$5,500,000 bearing interest at the bank's prime rate less 0.5%. As at year end, \$2,498,420 (2023—\$3,840,747) was available for use.

Security on the Bank of Montreal operating demand loan is a registered general security agreement providing BMO with a security interest over all present and after-acquired personal/movable property of the borrower with a first ranking for Canadian accounts receivable and tangible capital assets which have a carrying value of \$11,832,851 (2023 - \$10,789,948).

#### 9. EMPRUNT D'EXPLOITATION SUR DEMANDE

L'Organisation dispose d'un prêt d'exploitation sur demande non garantie auprès de la Banque de Montréal, avec une limite maximale autorisée de 5 500 000\$ portant intérêt au taux préférentiel de la banque moins 0,5 %. À la fin de l'exercice, 2 498 420 \$ (3 840 747 \$ en 2023) étaient disponibles.

La garantie sur l'emprunt d'exploitation sur demande de la Banque de Montréal est une convention de sûreté générale inscrite qui accorde à BMO une sûreté sur tous les biens personnels/mobiliers présents et après-acquis de l'emprunteur avec un premier rang pour les comptes débiteurs et les immobiliers tangibles dont la valeur comptable est de 11 832 851 \$ (2023 - 10 789 948 \$).



**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2024 \$	2023 \$
Transportation	1,012,924	842,587
Trade payables	380,807	979,191
Dairy Farmers of Canada	205,585	216,293
Accrued liabilities	79,072	78,765
Payroll deductions	6,492	5,925
	<u>1,684,880</u>	<u>2,122,761</u>

The Organization has a BMO Mastercard with an authorized limit of \$65,000. As at year end, \$32,254 (2023 - \$58,514) was available for use. The amount owing is included in trade payables. Security is as disclosed in Note 9. The amount owing is included in trade payables.

**10. COMPTES FOURNISSEURS ET CHARGES À PAYER**

	2024 \$	2023 \$
Transport	1,012,924	842,587
Comptes-fournisseurs	380,807	979,191
Producteurs laitiers du Canada	205,585	216,293
Charges à payer	79,072	78,765
Déductions au paye	6,492	5,925
	<u>1,684,880</u>	<u>2,122,761</u>

L'organisation possède une carte Mastercard BMO avec une limite maximale autorisée de 65 000 \$. À la fin de l'exercice, 32 254 \$ (2023 - 58 514 \$) étaient disponibles. La sécurité est dévoilée à la note 9. Le montant dû est inclus dans les comptes-fournisseurs.

**11. PRODUCER PAYABLES**

	2024 \$	2023 \$
Producer payables	6,377,413	6,309,391
Promotional surplus	660,325	832,590
Transport and blend deficit	(122,341)	(589,853)
	<u>6,915,397</u>	<u>6,552,128</u>

**12. DEFERRED CAPITAL CONTRIBUTIONS**

The Organization has entered an agreement with ACOA for a grant up to a maximum of \$334,250. During the year, \$225,864 was received from ACOA, of which \$193,569 related to the cost of the intangible asset (Note 7) and \$32,295 related to the cost of the tangible capital asset for data processing equipment (Note 8). The agreement is subject to non-financial covenants, of which the Organization is in compliance.

**11. CHARGES À PAYER AUX PRODUCTEURS**

	2024 \$	2023 \$
Payables aux producteurs	6,377,413	6,309,391
Surplus promotion	660,325	832,590
Déficit Transport et prix moyen	(122,341)	(589,853)
	<u>6,915,397</u>	<u>6,552,128</u>

**12. CONTRIBUTIONS AUX IMMOBILISATIONS REPORTÉS**

L'Organisation a conclu une entente avec l'APECA pour une subvention pouvant atteindre un maximum de 334 250 \$. Au cours de l'exercice, 225 864 \$ ont été reçus de l'APECA, dont 193 569 \$ pour le coût de l'immobilisation incorporelle (note 7) et 32 295 \$ pour le coût de l'immobilisation corporelle pour le matériel de traitement des données (note 8). L'accord est soumis à des engagements non financiers, que l'Organisation met en conformité.

**13. CONTINGENT LIABILITIES**

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management.

There were no contingent liabilities that would have a material impact on these financial statements.

**13. PASSIFS ÉVENTUEL**

Aux fins des états financiers ci-joints, les passifs éventuels ont été évalués par la direction.

Aucun passif éventuel n'aurait eu d'incidence importante sur ces états financiers.

**14. SUBSEQUENT EVENTS**

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these financial statements.

**14. ÉVÉNEMENTS SUBSÉQUENTS**

Aux fins des états financiers ci-joints, les événements subséquents ont été évalués par la direction.

Aucun événement subséquent n'aurait eu d'incidence importante sur ces états financiers.

**15. BUDGET AMOUNTS**

The 2024 budget amounts disclosed on Schedule 2 to the financial statements, are presented for information purposes only.

**15. MONTANTS BUDGÉTAIRES**

Les montants du budget de 2024 divulgués au tableau 2 des états financiers sont présentés à titre d'information seulement.

**16. CORRESPONDING FIGURES**

Certain corresponding figures have been reclassified to reflect the changes in the financial statements presentation in the current year. There has been no change in prior year's income.

**16. CHIFFRES CORRESPONDANTS**

Certains chiffres correspondants ont été reclassés pour tenir compte de l'évolution de la présentation des états financiers au cours de l'exercice en cours. Il n'y a pas eu de changement dans les revenus de l'année précédente.

**Dairy Farmers of New Brunswick**  
**Statement of Receipts and Expenditures—Internally Restricted**  
**For the year ended July 31, 2024**  
**Schedule 1**

**Producteurs laitiers du Nouveau-Brunswick**  
**États des résultats des réserves—affecté à l'interne**  
**Pour l'exercice clos le 31 juillet 2024**  
**Tableau 1**

	Milk Pricing	Quota exchange	Indemnity	Milk quality penalty reserve	
	Prix du lait \$	Échange de quotas \$	Indemnité \$	Réserve de pénalités \$	
<b>RECEIPTS</b>					<b>RECETTES</b>
Milk sales	159,662,396	-	-	-	Ventes de lait
Milk haulage	11,197,966	-	-	-	Transport du lait
Promotion	2,233,036	-	-	-	Publicité
Quota sales	-	3,435,900	-	-	Ventes de quotas
Investment income	-	-	70,551	-	Revenus de placement
Unrealized gain on marketable securities	-	-	150,564	-	Gains non-réalisés sur les titres négociables
Penalties collected	-	-	-	34,785	Pénalités prélevées
	<u>173,093,398</u>	<u>3,435,900</u>	<u>221,115</u>	<u>34,785</u>	
<b>EXPENDITURES</b>					<b>DÉPENSES</b>
Milk purchases	159,662,396	-	-	-	Achats de lait
Milk haulage	11,197,966	-	-	-	Transport du lait
Promotion	2,233,036	-	-	-	Publicité
Quota purchases	-	3,435,900	-	-	Achats de quotas
Program cost	-	-	-	59,836	Coûts des programmes
	<u>173,093,398</u>	<u>3,435,900</u>	<u>-</u>	<u>59,836</u>	
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES FOR THE YEAR</b>	<u>-</u>	<u>-</u>	<u>221,115</u>	<u>(25,051)</u>	<b>EXCÉDENT (INSUFFISANCE) DES RECETTES SUR LES DÉPENSES POUR L'EXERCICE</b>

**Dairy Farmers of New Brunswick**  
**Statement of Receipts and Expenditures—General**  
**For the year ended July 31, 2024**  
**Schedule 2**

**Producteurs laitiers du Nouveau-Brunswick**  
**État général des résultats**  
**Pour l'exercice clos le 31 juillet 2024**  
**Tableau 2**

	Budget (Unaudited non-vérifié) 2024 \$	Total 2024 \$	Total 2023 \$	
<b>RECEIPTS</b>				<b>RECETTES</b>
Milk producer dues	1,866,851	1,859,030	1,684,967	Prélèvement des producteurs
Interest income	40,000	11,785	55,296	Revenu d'intérêt
Rental income	25,692	16,791	25,489	Revenu de location
Grants and cost recoveries	1,000	2,562	1,570	Subvention et recouvrement de frais
	<u>1,933,543</u>	<u>1,890,168</u>	<u>1,767,322</u>	
<b>EXPENDITURES</b>				<b>DÉPENSES</b>
<b>Board expenses</b>				<b>Dépenses du conseil</b>
Director fees	218,401	242,378	235,770	Honoraires des administrateurs
Travel	111,881	129,015	97,334	Frais de déplacement
Annual meeting	60,857	58,549	70,648	Assemblée annuelle
Benefits	52,438	56,504	48,375	Avantages sociaux
Milk 2020	35,332	35,254	35,058	Lait 2020
Other meetings	13,000	9,267	17,135	Autres réunions
Director liability insurance	12,000	13,581	11,955	Assurance indemnité pour administrateurs
	<u>503,909</u>	<u>544,548</u>	<u>516,275</u>	

Dairy Farmers of New Brunswick  
Statement of Receipts and Expenditures—General  
For the year ended July 31, 2024  
Schedule 2

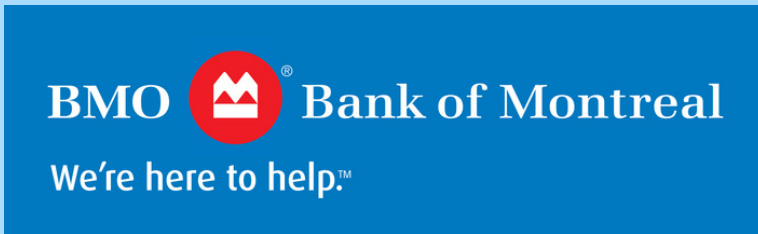
Producteurs laitiers du Nouveau-Brunswick  
État général des résultats—général  
Pour l'exercice clos le 31 juillet 2024  
Tableau 2

	Budget (Unaudited non-vérifié) 2024 \$	2024 \$	2023 \$	
<b>Fees and dues</b>				<b>Honoraires et souscriptions</b>
Contract services	104,100	134,288	126,754	Services contractuels
External audit	17,407	17,294	17,407	Audit externe
Internal audit	7,000	5,950	11,000	Audit interne
Dues	8,250	8,450	8,300	Souscriptions
Translation	4,830	4,825	4,590	Traduction
Local area committees	6,780	6,000	3,000	Comités locaux
Legal	15,000	2,744	1,858	Frais juridiques
	163,367	179,551	172,909	
<b>Employee Costs</b>				<b>Frais de personnel</b>
Salaries	547,973	514,405	493,211	Salaires
Benefits	111,106	105,837	100,620	Avantages sociaux
Travel	57,206	46,176	41,602	Frais de déplacement
	716,285	666,418	635,433	
<b>Milk pool services</b>				<b>Services en commun</b>
Laboratory services	187,702	187,035	183,838	Services de laboratoire
Milk quality program	44,500	105,552	83,596	Programme d'étalonnage des réservoirs
Tank calibration program	30,000	30,000	17,262	Programme de qualité du lait
	262,202	322,587	284,696	
<b>Financial charges</b>				<b>Frais financiers</b>
Amortization of tangible capital assets	64,904	18,211	10,368	Amortissement des immobiliers tangibles
Interest and bank charges	7,073	2,413	2,906	Intérêts et frais bancaires
	71,977	20,624	13,274	
<b>Building</b>				<b>Immeuble</b>
Power	14,612	13,232	12,509	Électricité
Property tax	12,700	11,747	12,083	Impôt foncier
Insurance	11,026	10,976	10,473	Assurances
Maintenance	35,000	11,329	7,192	Frais d'entretien
Cleaning	6,000	6,150	5,720	Nettoyage
	79,338	53,434	47,977	
<b>Office</b>				<b>Bureau</b>
Computer programming	95,000	99,946	93,534	Programmation informatique
Equipment lease and maintenance	4,896	-	3,875	Location et entretien d'équipement
Telephone	11,186	7,635	15,598	Téléphone
Office supplies	12,000	18,850	7,663	Fournitures de bureau
Donations and scholarships	9,000	7,663	6,197	Dons et bourses d'études
Postage	3,381	4,542	3,875	Frais de poste
	135,463	138,636	130,742	
	1,932,541	1,925,798	1,801,306	
<b>(Deficiency) Excess of receipts over expenditures</b>	1,002	(35,630)	(33,984)	<b>(Insuffisance) Excédent des recettes sur dépenses</b>

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