2025-2026 Annual Report



Saskmilk

DAIRY FARMERS OF CANADA QUALITY MILK™

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OUR VISION

BETTER TOGETHER FOR CANADIAN DAIRY

OUR MISSION

INSPIRING, INNOVATING, AND COLLABORATING TO BUILD A HEALTHY CANADIAN DAIRY INDUSTRY

Board of Directors 2025-2026



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Administrative Coordinator

Jennifer Buehler
Producer Payment and Verification Officer

Chera Coates
Director of Operations

Lola Correia
Controller

Bre Eberle
Marketing and Community Engagement Manager

Julie Ell
Manager, Communications

Cailyn Jones
Policy Administrator

Tina Leverton
Manager, Field Services

Chris Pinno
Manager, Quality and Environment

Bev Solie
Quota Management Officer

Chair's Report



Over the past year, the SaskMilk Board has remained focused on ensuring our organization and our policies continue to support a strong and sustainable dairy industry in Saskatchewan. As our industry evolves, the Board continues to develop and review policies with the needs of Saskatchewan dairy producers and the long-term strength of our industry at the forefront.

Collaboration also remains central to our work beyond Saskatchewan. Within the Western Milk Pool (WMP), SaskMilk continues to support opportunities to find efficiencies, strengthen returns to producers and realize the benefits that come from working together as a regional pool. We recognize that a strong Western Milk Pool helps strengthen each of its members, and we remain committed to working constructively with our provincial partners.

At the national P10 table, cost sharing continues to be an important area of focus. SaskMilk continues to advocate for a fair and equitable balance between the WMP and the P5 that recognizes the interests of Western Canadian dairy producers. While this remains a complex issue, we are hopeful that progress can be made and a resolution found in the near future.

Looking ahead, the Board is focused on building on the opportunities before our industry. Growth will require collaboration, sound policy and a continued willingness to work together. SaskMilk is committed to working closely with our partners to help position Saskatchewan producers to respond to increasing production requirements and contribute to the future growth of Canadian dairy.

Most importantly, the Board remains dedicated to representing and supporting Saskatchewan dairy producers. We appreciate the engagement, input and support producers have provided over the past year. Your involvement strengthens our organization and helps ensure the decisions we make today position Saskatchewan's dairy industry for a successful and sustainable future.

On behalf of the Board, thank you for your continued commitment to Saskatchewan's dairy industry. We look forward to the opportunities ahead.

Gordon Ell
Chair

General Manager's Report



The past year has been one of continued progress and organizational development for SaskMilk as we move through the first year of our 2025–2028 Strategic Plan.

Our strategic plan continues to guide our priorities and provide a clear framework for our work. We are making headway in strengthening marketing and public awareness, improving relationships and engagement with producers, building partnerships and advancing advocacy efforts, while maintaining the strong regulatory compliance and accountability that are fundamental to our role.

Internally, SaskMilk has continued to evolve to ensure we have the right structure and resources in place to support Saskatchewan dairy producers. This year, we undertook an organizational reorganization designed to streamline roles, clarify responsibilities and identify efficiencies across the organization. These changes have increased our ability to develop effective, responsive policy, participate at the regional and national level, and address the needs of our industry.

Policy development continues to be an important area of focus. SaskMilk is taking steps to further develop and review policies that serve the needs of producers, remain compliant with regulatory requirements and help create the conditions for continued growth. As part of this work, our Dairy Entrant Assistance Program (DEAP) Policy is undergoing an in-depth review, with producer input helping to guide its development. Our goal is to ensure the program continues to provide a meaningful pathway for new producers to enter Saskatchewan's dairy industry and build sustainable operations for the future.

Beyond Saskatchewan, we continue to ensure the interests of Saskatchewan dairy producers are represented in broader industry discussions. At the national level, SaskMilk remains actively engaged and continues to bring the Saskatchewan dairy perspective to initiatives that shape the Canadian dairy industry.

Our work within the Western Milk Pool also remains a significant priority. I am pleased to be leading transportation policy development for the WMP, with a particular focus on a new receiving and allocation policy. This work is part of our broader commitment to strong regional collaboration and to developing policies that support an efficient and responsive Western Canadian dairy system.

Looking ahead, SaskMilk is focused on ensuring Saskatchewan dairy producers are well positioned to respond to future growth and production requirements. The future of Canadian dairy is one of opportunity and growth, and Saskatchewan producers have an important role to play in that future.

As an organization, our responsibility is to help create the conditions that allow our producers and our industry to succeed. We look forward to building on the progress we have made, supporting growth in Saskatchewan and contributing to a strong and sustainable Canadian dairy industry for years to come.

Teresa Florizone
General Manager and CEO

Dairy Farmers of Canada
2025-2026 Year in Review

Trade

Canada-U.S. trade

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

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

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

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

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

Interprovincial trade

In collaboration with provincial members, DFC worked closely with officials from multiple government departments to ensure the federal government's interprovincial efforts would not affect the functioning of supply management. Federal and provincial governments clearly understand the need to consult DFC and its members thoroughly on any future changes to ensure no negative impacts on the functioning of the system.

Government relations

Access to veterinary health care tools

Sustained advocacy by a DFC-led coalition of national stakeholders representing farmers, veterinarians, and product manufacturers helped advance solutions to address Canada's shortage of veterinary healthcare tools. As a result of these efforts, in early 2026, Health Canada launched a consultation that will enable the Minister of Health to use decisions and evaluations from trusted foreign regulators to help speed up veterinary drug approvals. These efforts also resulted in the approval of a short-acting injectable oxytetracycline, a tool dairy farmers and veterinarians were eagerly awaiting.

Federal Plastics Registry

DFC advocated to exempt farmers from potential single-farm reporting requirements under the Federal Plastics Registry. Instead, DFC encouraged practical approaches, such as supplier data and pilot projects, to support environmental goals while minimizing red tape. To increase stakeholder support for these efforts, DFC proposed this as a policy resolution which was adopted with 100% support at the Canadian Federation of Agriculture's 2026 annual policy conference.

Canadian Community Health Survey Advocacy

DFC is leading a coalition of industry

stakeholders, non-governmental organizations, and key members of the academic community to advocate for a new *Canadian Community Health Survey – Nutrition* to support updated data for research and nutrition policy.

National Food Security Strategy

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

Maintaining funding for the next Agricultural Policy Framework

DFC advocated that the government maintain funding for federally funded programs under the next Agricultural Policy Framework. These vital programs support things like proAction® and DairyTrace and help fund important research on topics such as human health and nutrition, and dairy production, as well as on-farm investments into best management practices that will support dairy farmers as they work towards net-zero.

National marketing and consumer advocacy

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

Choosing Canadian made easy with the Blue Cow Quality Milk Logo

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

proAction®

This year, the proAction Committees reviewed and revised topics across proAction modules in view of the *Code of Practice for the Care and Handling of Dairy Cattle*. The package of proposed revisions was approved by DFC's Board of Directors in spring 2026. The full package of new requirements is scheduled to be communicated to farmers in the fall of 2026 and introduced in validations in April 2027.

Sustainability

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

National Nutrition

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

Nutrition and Production Research

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



Western Milk Pool Report

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

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

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

That is why long-term strategy matters. It provides a North Star through changing conditions and reinforces the value of Western alignment that allows us to bring a clear, constructive voice to national discussions and work with stakeholders across Canada toward a stronger dairy industry.

As key files advance and milestones are reached, we will continue to update Western producers on progress and next steps.





Annual Report 2025-2026

SaskMilk extends appreciation to producers for efforts put toward Milk Quality, Animal Care, Environment, Biosecurity and Traceability everyday on farm.

Through this past year, Lactanet Validators have been providing feedback survey links during on-farm validations. This information has been valuable and well utilized. SaskMilk greatly values feedback and encourages producers to reach out at any time.

Lactanet has been managing Validators as well as the validation/self-declaration regular approvals. In Saskatchewan, Donna Asher is the only Validator. It is important that producers continue to make every effort to accommodate Donna and on-farm validations – it is a continued focus for farms to be validated as efficiently as possible.

Implementing the updated Code of Practice requirements into proAction® has been a focus over the past year. Between December 2024 to March 2025 nationally, there were 267 Mock Validations conducted, feedback submitted from 85 reports, 12 workshops, 89 surveys and 690 Freedom of Movement surveys. Thank you to all those that participated in the pilot project – your feedback has been instrumental in shaping how the Code will be represented within proAction®. The full package of changes will be communicated in Fall 2026 so farmers can prepare for the launch of the new requirements into validations in April 2027. Saskatchewan proAction® Workshops will be available early 2027 – keep an eye in the newsletter and emails for more information/dates.

DairyTrace has had a successful 6th year of traceability service. Nationally in 2025, 1.27 million unique traceability events were reported – a 9% increase over 2024 event reporting. DairyTrace contributed significantly during the recent Manitoba TB challenge. The CFIA reported that "the DairyTrace System performed exceptionally well as a tool to trace dairy animal movements during the most recent 2025 MB TB investigations. We were able to have tracing details in a matter of hours compared to other investigations, which require months of effort analyzing paper records and livestock manifests." Thank you for diligently reporting births, move ins/move outs and tag retirements. Detailed traceability records and a commitment to biosecurity go a long way to ensuring a clear response should we experience a disease challenge in Saskatchewan.

SaskMilk also encourages producers to check out the Canadian Dairy Hub (www.dairyhub.ca). The Canadian Dairy Hub is a centralized platform offering farmers and advisors free access to science-based resources, videos, factsheets, decision-support tools and more, available on demand, anytime and anywhere.

WMP Sustainability/WDRC Report

Sustainability

- Sustainability initiatives build trust with consumers, foster confidence with partners, and manage risk along the supply chain.
- As the provincial producer organizations in the west are working on sustainability at the national level, it is important that sustainability makes sense for producers[KH1.1]. Sustainability includes economic viability, environmental stewardship and social responsibility. As increased production efficiency leads to greater environmental sustainability, there are many practices that benefit the environmental and farm profitability.
- The National Sustainability Committee (comprised of DFC and the regions) has begun the process of updating the Net Zero Model and Sustainability BMP Guide[KH2.1]. This will provide a road map for the dairy industry to work towards net zero by 2050, including recommendations for various on-farm practices.
- The Greenhouse Gas (GHG) Calculator Pilot Project [KH3.1]is finishing its second round evaluating the Cool Farm Platform and Agriclimat (QC) as on-farm carbon footprint calculators. A total of 54 farms participated in round 2, with 11 farms from the west. Outcomes from the project are expected Fall 2026.
- The Canadian Sustainability Coordinating Committee (CSCC) was formed with dairy producer and processor representation. The CSCC aims to make recommendations that benefit the entire Canadian dairy value chain, balancing stakeholder expectations for sustainability with the practical realities of on-farm operations.
    - Work has begun under the CSCC to develop a national sustainability incentive model, to share the costs of on-farm sustainability practices along the dairy supply chain.
    - Key principles of this work include transparency and credibility, ensuring fair compensation for producers' efforts, streamlined and minimized participation requirements and an opportunity for all farms across Canada to participate.

Research

- The western provincial dairy organizations have formed the Western Canadian Dairy Collaboration[KH4.1] (WDRC), to streamline the investment of producer dollars in research and maximize the impact of innovation and benefit for producers in the west.
    - The WDRC includes two producer representatives from each province who review all proposals to ensure industry relevance and alignment with western research priorities.
- In the 2025 calendar year (Figure 1), the WDRC:
    - met with 18 researchers to provide feedback on their project ideas,
    - reviewed 47 project proposals and identified 11 projects for funding.
    - committed $550,287 to these multi-year projects, with every producer dollar spent being leveraged 12 times by external funding partners.
- In early 2026, the WDRC launched its first targeted call for applied research and knowledge translation and transfer (KTT) projects. The objectives for this call were to:
    1) develop a toolkit of practical prevention and intervention options to reduce the prevalence of hock injuries, and
    2) evaluate new and existing strategies to practically reduce the occurrence of cross-sucking in socially housed calves on dairy farms.

Project proposals are currently being evaluated for funding.

- Development of the next targeted call for research is already underway, focusing on investigating the causes of high individual bacteria count (IBC) in bulk tank milk on western Canadian dairy farms.
- A western KTT strategy is under development for launch in early 2027. The purpose of a shared KTT strategy is to ensure that dairy producers in western Canada realize clear and measurable returns on their investment in research and to drive the adoption of innovative technologies and beneficial management practices.
- Since 2024, the WDRC has
  - committed $1 million to 15 multi-year projects, with an average leveraging rate of $1:$12.
  - directed most funding towards projects in the Animal Health, Care and Welfare priority (Figures 1 and 2).
  - partnered with 8 research institutions across Canada and 16 government, non-profit and private funding partners.



Figure 1. WDRC 2025 funding metrics.

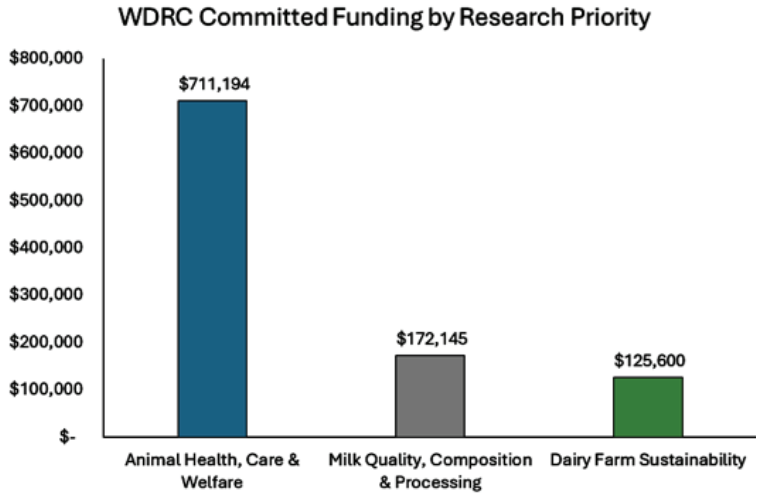


Figure 2.

Number of research projects with funding committed by the WDRC to date, by research priority and sub-priorities.

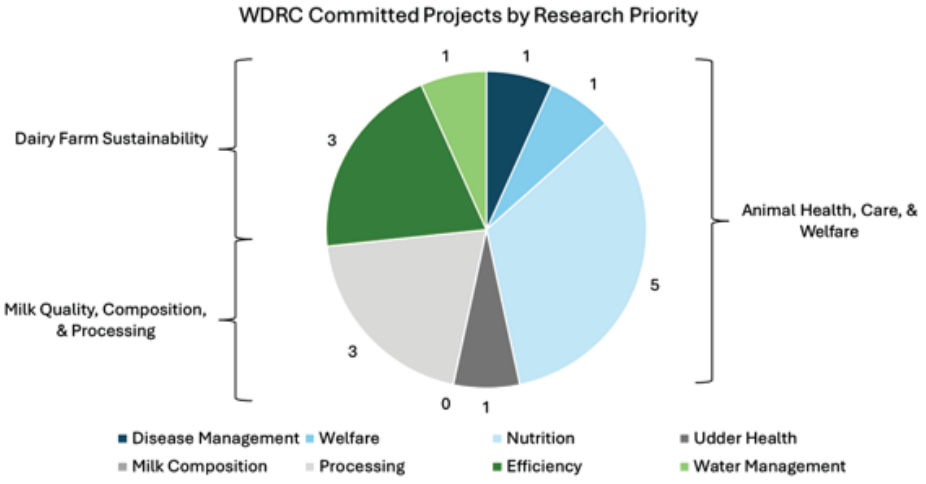


Figure 3.

Funds committed by the WDRC for research projects to date, by funding priority.

Production Report

As of July 2026, Saskatchewan had 139 active dairy operations across the province.

The total milk shipped this dairy year was 303,735,661 litres. This is an increase of 1,635,970 litres (+0.54%) from the previous year. Butterfat production for the dairy year was 13,518,717 kilograms, an increase from the previous year of 101,183 kilograms (+0.75%).

DY	Quota (kgs Butterfat)			Volumes (litres)	
2025-26	Issued	Production Overage	Lost Opportunity	Shipped	Daily Average
Aug	1,131,078	-34,106	655.04	26,786,973	864,096
Sept	1,094,460	-42,088	488.22	25,673,335	855,778
Oct	1,130,942	-54,558	217.25	26,095,595	841,793
Nov	1,094,460	-50,973	404.37	24,806,415	826,881
Dec	1,130,787	-40,983	613.80	25,433,416	820,433
Jan	1,130,787	-33,872	494.40	25,501,565	822,631
Feb	1,021,328	-24,088	142.10	23,189,291	828,189
Mar	1,130,756	-8,384	161.09	25,387,413	818,949
Apr	1,102,380	11,297	21.23	24,550,841	818,361
May	1,131,159	15,700	5.14	25,600,049	825,808
Jun	1,094,820	21,735	0.00	25,124,734	837,491
Jul	1,131,314	45,875	0.00	25,586,034	825,356
Totals	13,324,271	-194,446	3,202.64	303,735,661	832,147

Average Milk Composition		Average Blend Price		Average Component Prices	
Butterfat	4.45%	All Milk	$98.24	Butterfat	$18.76
Protein	3.38%	Butterfat	$22.07	Protein	$2.91
Other Solids	5.93%	-	-	Other Solids	$0.83

Butterfat			Cumulative Percentage			
Test (kg/hl)	Shipped (kgs)	Daily Average (kgs)	SK	WMP	P5	P10
4.350	1,165,184	37,587	9.17%	-1.57%	2.54%	0.83%
4.427	1,136,548	37,885	8.69%	-2.28%	2.20%	0.38%
4.543	1,185,500	38,242	8.55%	-2.69%	2.60%	0.55%
4.617	1,145,433	38,181	8.09%	-3.21%	2.23%	0.13%
4.607	1,171,770	37,799	8.28%	-3.08%	2.58%	2.58%
4.567	1,164,659	37,570	9.38%	-2.04%	3.41%	1.25%
4.508	1,045,416	37,336	9.31%	-1.99%	3.38%	1.24%
4.487	1,139,140	36,746	8.39%	-2.70%	3.13%	0.84%
4.444	1,091,083	36,369	8.64%	-2.40%	3.59%	1.25%
4.357	1,115,459	35,983	8.72%	-2.35%	3.58%	1.25%
4.271	1,073,085	35,770	8.47%	-2.53%	3.65%	1.25%
4.242	1,085,440	35,014	7.76%	-3.18%	3.32%	0.81%
4.452	13,518,717	37,040	N/A	N/A	N/A	N/A

Marketing, Nutrition, and Community Engagement Annual Report

Throughout the 2025-2026 dairy year, SaskMilk continued to build on its evolving approach to marketing and community engagement, strengthening relationships with communities, organizations, businesses, schools, and event partners across Saskatchewan. With a continued focus on increasing awareness of Saskatchewan Diary Farmers and the importance of dairy in everyday life, marketing initiatives were designed to connect with consumers in a meaningful, engaging, and memorable way.

Building on the direction established in the previous year, SaskMilk continued to prioritize agricultural education, school programing and nutrition, and community-based activations, while placing greater emphasis on dairy product promotion, hands-on experiences, and opportunities to educate consumers about dairy. These efforts helped reinforce SaskMilk's presence across the province, while supporting the broader goal of increasing dairy awareness, encouraging consumption, and giving back to Saskatchewan communities.

Marketing and Community Engagement activities continue to focus on four key priorities:

- Families and Younger Generations: connecting with Millennials, Gen Z, and Gen Alpha through engaging, relevant, and interactive experiences.
- Sports and Recreation: promoting dairy across competitive and recreational sports at all levels, highlighting dairy's role in active lifestyles, and dairy's nutritional benefits.
- Agricultural Education and School Programming: supporting agricultural literacy, dairy education, and nutrition initiatives in schools.
- Families in Need and Community Support: giving back to Saskatchewan communities while helping improve access to dairy products and promoting the value of dairy through a variety of different activations.

SaskMilk in Schools

SaskMilk continued to support school-based initiatives that encourage dairy consumption, promote nutrition education, and help make dairy a regular part of students' everyday lives. The School Milk Program remained an important part of these efforts, providing participating schools with opportunities to engage students through their own school milk programs, activities, incentives, and educational resources.

Building on the success of previous school initiatives, SaskMilk continued to explore creative ways to recognize students, teachers,







and schools that champion dairy. Interactive contests and school-based promotions helped generate enthusiasm, encourage participation, and strengthen connections between students and Saskatchewan dairy farmers. These initiatives also provided opportunities to reinforce the important role dairy plays in balanced nutrition and healthy, active lifestyles.

SaskMilk also continued its involvement with the Saskatchewan Roughriders' Win with Wellness and Reading program, supporting mental health presentations for students Grades 4-8 and supporting literacy and reading presentations for K-Grade 2 stuents. Through classroom visits delivered by trained Roughriders, students explored important mental health topics, reading, and drawing connections between health and nutrition. SaskMilk's involvement helped maintain visibility for Saskatchewan dairy farmers within schools, while supporting a program that makes a positive impact on students all across the province.

Events

Community events and activations remained a cornerstone of SaskMilk's marketing strategy throughout 2025-2026. Participation in agricultural events, family activities, sporting events, post-secondary initiatives, and community celebrations provide valuable opportunities to connect directly with consumers, engage younger audiences, and increase awareness of the dairy industry.

SaskMilk continued to build on successful event strategies by offering interactive experiences that encourage participation and create memorable connections with brands - games, dairy product giveaways, educational demonstrations, and family friendly activities helped draw crowds while providing opportunities to share information about dairy farming, dairy products, and the contributions of local hardworking Saskatchewan dairy farms.

SaskMilk's recognizable event features – including Dairy-Anna, Gert, the inflatable cows, the large inflatable cow, and other interactive attractions – continue to be important tools for engaging audiences of all ages. These attractions help create an opportunity to talk with the community members, connect with families,

students, and consumers, in a variety of different settings.

Agricultural education remained a particularly important area of focus, with hands-on demonstrations and education opportunities helping students and the public better understand where their dairy products come from and the work involved in producing them. By continuing to invest in these experiences, SaskMilk strengthened its role as an accessible resource for dairy education and community engagement.



Sponsorship and Giving Back to the Community

Community involvement continued to be a defining part of SaskMilk's marketing and engagement efforts. Saskatchewan dairy farmers are an important part of the province's communities, and SaskMilk remained committed to supporting initiatives that bring people together. Throughout the year, SaskMilk supported a wide range of community organizations, sporting events, agricultural initiatives, schools, charities, and local activities. Support took many forms, including small sponsorships, dairy product donations, event participation, and educational programming. Whether helping a local sports team, providing dairy products for a community gathering, or supporting initiatives that benefit children and families, these contributions helped demonstrate the dairy industry's commitment to Saskatchewan and giving back where we can.

These efforts reinforce the message that dairy farmers contribute far beyond the farm. Through their ongoing commitment to local communities, Saskatchewan dairy farmers help support the people, programs, and experiences that make communities stronger.

World Milk Day

World Milk Day remained an important opportunity to celebrate dairy, recognize the contributions of Saskatchewan dairy farmers, and bring the community together in support of a meaningful cause. SaskMilk continued its tradition of hosting a community BBQ fundraiser in support of the Regina Food Bank, combining dairy promotion with an opportunity to give back to families in need.

The annual World Milk Day celebration reflects SaskMilk's commitment to pairing dairy promotion with community impact. By bringing people together around a shared cause, the event highlights the generosity of Saskatchewan's farmers, the community and partners who play a role in the dairy world. Not only is it an opportunity to connect and give back, it also continues to show the role in everyday nutrition. Looking to next year, we will plan to host a celebration in Saskatoon.

Looking Ahead

As SaskMilk moves forward, Marketing and Community Engagement will continue to build on the progress made over the past two years, using established partnerships, event experiences, and community feedback to guide future initiatives. Continued emphasis will be placed on reaching younger generations and families, strengthening agricultural and nutrition education, promoting dairy products, and supporting communities across the province. Through a balanced approach that combines education, engagement, product, and community, SaskMilk will continue working to strengthen consumer connections with dairy and demonstrate the value Saskatchewan dairy farmers bring to the province every day.

Statistics Throughout the 2025-2026 Year

TOTAL NUMBER OF AGRICULTURE EDUCATION EVENTS ATTENDED:

55





TOTAL NUMBER OF ACTIVATIONS/ EVENTS ATTENDED (NOT AG. ED.): 45

SCHOOL MILK PROGRAM REGISTRANTS:

120



TOTAL NUMBER OF COMMUNITY EVENTS, TEAMS, AND GROUPS SUPPORTED:

45



TOTAL NUMBER OF DAIRY PRODUCT SPONSORSHIPS GIVEN:

60

Saskatchewan Milk Marketing Board
Financial Statements
For the year ended July 31, 2026

To the Board of Directors of SaskMilk Marketing Board:

Opinion

We have audited the financial statements of SaskMilk Marketing Board ("SaskMilk"), which comprise the statement of financial position as at July 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the SaskMilk as at July 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the SaskMilk in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the SaskMilk's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the SaskMilk or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

MNP LLP
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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SaskMilk's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SaskMilk's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SaskMilk to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the SaskMilk as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

October 29, 2026

MNP LLP

Chartered Professional Accountants

Saskatchewan Milk Marketing Board

Statement of Financial Position

As at July 31, 2026

	2026	2025
Assets		
Current		
Cash	$ 18,418,841	$ 4,140,184
Accounts receivable	16,265,390	15,521,037
GST receivable	9,982	10,940
Prepaid expenses	221,486	427,762
	34,915,699	20,099,923
Investments (*Note 3*)	1,766,989	1,527,754
Investments in Significantly Influenced Entity (*Note 4*)	5,838,929	5,144,758
Capital Assets (*Note 5*)	364,042	346,537
	$42,885,659	$27,118,972
Liabilities		
Current		
Accounts payable and accrued liabilities	$30,919,590	$17,198,666
Current portion of long-term debt *(Note 8)*	252,216	364,708
	31,171,806	17,563,374
Long-term debt *(Note 8)*	3,437,257	3,497,198
	34,609,063	21,060,572
Equity		
Internally Restricted Fund - Industry Development *(Note 9)*	795,090	624,723
Internally Restricted Fund - Operating Reserve *(Note 9)*	1,650,000	-
General Fund	5,831,506	5,433,677
Net Assets	8,276,596	6,058,400
	$42,885,659	$27,118,972

Commitments (*Note 13*)

Approved by the Board of Directors

Director **Director**

See accompanying notes to the financial statements.

Saskatchewan Milk Marketing Board

Statement of Operations

For the year ended July 31, 2026

	BUDGET (Unaudited)	2026	2025
	(Note 10)		
Revenue			
Milk sold to processors	$309,463,500	$310,890,958	$304,612,720
Milk pools (*Note 6*)	(5,000,000)	(7,730,683)	(738,052)
Milk pool administration and fees *(Note 11)*	4,569,503	4,972,172	4,974,203
Promotion levy	4,530,000	4,175,799	4,639,295
Licence fees and miscellaneous	1,151,430	870,729	824,938
Milk quality penalties	550,000	529,678	543,746
Interest	230,000	486,579	175,723
Investments	-	-	35,185
	$315,494,433	**$314,195,232**	**$315,067,758**
Expenses			
Milk purchased from producers	$304,895,237	$303,907,640	$304,501,998
Administrative expense	2,855,352	2,608,793	2,755,015
Salaries and benefits	1,552,455	1,794,197	1,489,883
DFC industrial levy and membership	1,429,079	1,335,837	1,587,384
Marketing, nutrition, and education activities	1,771,550	1,289,171	1,356,192
Travel, sustenance, and vehicle expense	612,767	370,976	301,340
Western promotion	350,000	204,771	162,231
Rent	180,020	180,020	173,050
Food Bank program	95,045	172,899	51,920
WMP Shared Costs	467,798	166,104	116,854
School milk program	222,500	146,119	186,311
Interest on long-term debt *(Note 8)*	21,997	144,812	193,673
Honoraria	160,800	115,675	115,300
Legal	80,000	113,704	45,105
Amortization	180,000	51,065	37,090
Dumped Milk Expense	75,000	32,684	4,970
	$314,949,600	**312,634,467**	**313,078,316**
Excess of revenues over expenses before other items	544,833	1,560,765	1,989,442
Other Items			
Income from investment in significantly influenced entities	-	421,720	62
Unrealized gain on market value of investments	-	235,711	94,388
Foreign exchange loss		-	(44)
Excess of revenues over expenses	$544,833	$2,218,196	$2,083,848
Transfer to reserves	(22,650)	-	-
Excess of revenues over expenses	$522,183	$2,218,196	$2,083,848

See accompanying notes to the financial statements.

Saskatchewan Milk Marketing Board

Statement of Changes in Net Assets

For the year ended July 31, 2026

	General Fund	Internally Restricted for Operating Reserve	Internally Restricted for Industry Development	2026	2025
Net assets, beginning of year	$5,433,677		$624,723	$6,058,400	$3,974,552
Excess of revenue over expenses	2,047,829		170,367	2,218,196	2,083,848
Transfers *(Note 9)*	(1,650,000)	1,650,000	-	-	-
Net assets, end of year	$5,831,506	$1,650,000	$795,090	$8,276,596	$6,058,400

See accompanying notes to the financial statements.

Saskatchewan Milk Marketing Board

Statement of Cash Flows

For the year ended July 31, 2026

	2026	2025
Cash Flows from Operating Activities:		
Cash receipts from processors and fees	312,965,258	313,685,031
Interest received and investment income	486,579	210,908
Cash paid to producers	(293,345,256)	(302,871,380)
Cash paid to other suppliers	(3,516,751)	(8,196,215)
Cash paid to employees and board members	(1,794,197)	(1,489,882)
Cash flows from operating activities	14,795,633	1,338,462
Cash Flow from Investing Activities		
Purchase of tangible capital assets	(68,570)	(157,473)
Purchase of investments	(275,974)	(1,340,530)
Cash flows from investing activities	(344,544)	(1,498,003)
Cash Flow from Financing Activities		
Advance of long-term debt	-	824,511
Repayment of long-term debt	(172,432)	
Cash flows from financing activities	(172,432)	824,511
Net increase in cash during the year	14,278,657	664,970
Cash position, beginning of year	4,140,184	3,475,214
Cash position, end of year	$18,418,841	$4,140,184

See accompanying notes to the financial statements.

1. Incorporation

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

In particular, the Board is responsible for:

- collection and purchase of producer milk;

- transport and sale of milk to distributors and processors;

- compensate producers through a multiple component pricing system and manage production levels in conjunction with the National and Regional Marketing Agreements; and

- collect and administer fees or levies required to operate the provincial milk pool, and to fund Board program activities (promotion and nutrition) of benefit to the industry.

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

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

2. Significant accounting policies

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

a) Revenue Recognition

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

b) Cash

Cash is comprised of monies on deposit with the bank.

c) Capital Assets

Capital assets are recorded at cost and are amortized over their estimated useful lives. Amortization expense is calculated using the straight-line amortization at the following annual rates:

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

d) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Accounts receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

e) Income taxes

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

f) Financial Instruments

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

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

At initial recognition, SaskMilk may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. SaskMilk has made such an election during the year.

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

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

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

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

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

g) Investment in Significantly Influenced Entities

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

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

3. Investments

	2026	2025
Market Value		
Mutual Funds	$1,766,989	$1,467,258
Cash and cash equivalents	-	60,496
	$1,766,989	**$1,527,754**

4. Investment in Significantly Influenced Entities

SaskMilk holds the following significantly influenced investment:

	2026	2025
DIW Buildings & Land Corporation (12.26434% ownership interest)		
Opening balance equity pick-up	$75,173	$75,111
Current year share of income	421,720	62
	$496,893	**$75,173**
Opening balance shares	5,069,585	3,645,195
Current year purchase of common shares	272,451	1,424,390
	$5,342,036	**$5,069,585**
Total	**$5,838,929**	**$5,144,758**

5. Capital Assets

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
Milk Payment System	$721,625	$498,214	$223,411	$159,648
Vehicle	66,698	37,359	29,339	38,679
Office furniture and equipment	114,636	39,771	74,865	85,158
Handhelds	133,121	96,694	36,427	63,052
	$1,036,080	**$672,038**	**$364,042**	**$346,537**

6. Milk Pools

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

Based on each province's monthly utilization, Canadian Dairy Commission will either distribute a portion of, or require a contribution to, the Industrial and Special Class Pool and Western Milk Pool. Saskatchewan paid contributions of $7,730,683 to the milk pools (2025 – paid contributions of $738,052 to the milk pools).

7. Line of Credit

SaskMilk has access to a Conexus Credit Union line of credit to a maximum of $750,000, bearing interest at prime minus 2.5% (2025 – prime – 2.5%), secured by a general security agreement. The balance drawn on July 31, 2026, is $nil (2025 - $nil).

8. Long-term debt

	2026	2025
FCC loan bearing interest at prime minus 0.35% per year, repayable in monthly payments of $28,712. The loan is subject to refinancing on September 1, 2028.	**$3,689,473**	**$3,861,906**
Less: current portion	**252,216**	**364,708**
	$3,437,257	**$3,497,198**

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

	Principal
2027	252,216
2028	261,413
Subject to refinancing	3,175,844
Total	3,689,473

Interest on long-term debt amounted to $144,812 (2025 - $193,673).

9. Internally Restricted Funds

Industry Development

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

Milk Metering and Administration from the WMP and, for the present, is paying into the WMP for Quality Bonus, Inhibitor Testing Reagent and Environmental Compliance.

IDF Funds were used for the following programs in 2025-2026: Inhibitor Testing Reagent – paid to the Processor, Quality Milk Bonus – paid to the Producers, Environmental Compliance – portion used to reduce haulage charges to Producers, and Milk Quality Testing – payment for portion of component testing and testing supplies (i.e., sample bags, sample vials, and truck seals).

Operating Reserve

SaskMilk has established an Operating Reserve in the current year. The purpose of which is to ensure funds will be available to absorb short-term revenue volatility, cover unexpected operating costs and support continuity of critical services in the event of emergencies. Use of the reserve requires approval from the Board of Directors, following review and recommendation by the Audit & Risk Committee. During the year, $1,650,000 (2025 - $nil) was transferred from the General Fund to the Operating Reserve.

10. Budget

The budgeted figures provided in the statement of operations and changes in net assets are presented for information purposes only and are unaudited. The 2025 – 2026 Budget was approved by the Board of Directors on July 28, 2025.

11. Milk pool administration and fees

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

	2026	2025
IDF revenue	$2,890,289	$2,907,650
SMMB assessment	2,081,883	2,066,553
	$4,972,172	**$4,974,203**

12. Related party information

DIW

SaskMilk exercises significant influence over Dairy Innovation West Inc. (“DIW”). DIW was incorporated on April 30, 2020, and its members are SaskMilk, Dairy Industry Development Council, Alberta Milk and Dairy Farmers of Manitoba. As a member of DIW, SaskMilk is entitled to name a nominee for appointment to DIW's Board of Directors, and SaskMilk’s support is required in the process of electing the Chair of DIW's Board of Directors. DIW's purpose is to promote and facilitate the efficient transportation of milk and milk components by producers to the processors in western

Canada. SaskMilk holds economic interest in DIW to the extent that resources are transferred to DIW by means of member assessment fees, which are collected by DIW to achieve its stated purpose. The Alberta Agricultural Products Marketing Council has provided their support for the DIW project concept. DIW is incorporated under the Canada Not-for-profit Corporations Act and extra-provincially registered in Alberta and is exempt from income tax. SaskMilk's recorded transactions with DIW during the year consist of $nil (2025- $nil).

DIW Buildings & Land Corporation

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

SaskMilk accounts for DBLC using the equity method. During the year, SaskMilk purchased 54,490 (2025 – 284,780) class A common shares at a cost of $272,451 (2025 - $1,424,390) and SaskMilk's income from DBLC under the equity method was $421,720 (2025 – $62).

WMP

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

13. Commitments

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

2027 – 2030	$161,533
2031	$134,610

14. Pension plan

SaskMilk participates in the Public Employees' Pension Plan, a defined contribution or benefit plan. SaskMilk obligations to the Plan are limited to 9.0% of earnings for all employees for current services. During the year, SaskMilk contributed $117,983 (2025 - $97,903) to the plan, which is recorded as an expense.

15. Financial instruments

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

a) Fair value

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

b) Credit risk

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

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

c) Interest rate risk

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

d) Foreign currency risk

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



Saskmilk

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