



Canadian Dairy
Commission

Commission
canadienne du lait

CORPORATE PLAN SUMMARY FOR 2025-2026 TO 2029-2030

OPERATING AND CAPITAL BUDGETS
FOR THE DAIRY YEAR ENDING JULY 31, 2026

Corporate Plan dated March 31, 2025

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1. EXECUTIVE SUMMARY

As of March 31, 2025, the Canadian Dairy Commission (CDC) is in a sound financial position and is on track to fulfil almost all the objectives it had set for itself in the 2024-2025 dairy year.

Thanks to the sustained popularity of Canadian dairy products, the Canadian dairy industry is growing and is expected to continue to grow in the future.

The CDC updates its strategic plan yearly. The goals and objectives that the CDC has set for itself for 2025-2026 are included in this plan. The CDC's strategic priorities consist of cultivating industry collaboration towards a sustainable and resilient Canadian dairy industry, modernizing tools and practices to enable national effective data-driven decisions to optimize the Canadian dairy supply management system, and optimizing organizational effectiveness in the face of competing priorities. The CDC has outlined several strategic goals to ensure these priorities are met:

- facilitating industry focus on balanced and sustainable growth for all milk components;
- advancing a national dialogue on the development of a shared vision for the dairy industry;
- modernizing and updating calculations around the establishment of the farmgate price of milk;
- ensuring the industry continues to adapt the supply management framework to current conditions;
- adapting CDC programs to changing industry landscape;
- optimizing CDC governance and decision-making processes; and,
- supporting a resilient CDC workplace and workforce.

As well, the CDC is committed to its mandate, which, as per the [Canadian Dairy Commission Act](#), includes providing efficient producers with the opportunity to receive a fair return and providing consumers with a continuous and adequate supply of quality dairy products. The CDC has included several performance indicators in section 4.1 Objectives, Activities and Performance Measures for the Planning Period to ensure it meets its mandate.

On the financial side, the CDC's administrative budget for 2025-26 is set at \$13.79 million while the borrowing authority is set at \$350 million.

This borrowing authority is comprised of borrowings from the Consolidated Revenue Fund to support the purchase of butter and a \$50 million line of credit to support administrative and revenue pooling activities, with the total outstanding borrowings at any time not exceeding \$350 million. This is the same amount as the previous year.

2. OVERVIEW

2.1 Corporate mandate

The CDC is a Crown corporation which was established in 1966 to coordinate federal and provincial dairy policies and create a control mechanism for milk production which would help stabilize farm revenues and avoid costly surpluses. The [*Canadian Dairy Commission Act*](#) states the mandate of the CDC:

8. (...) to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality.

2.2 Public policy role

The CDC has 85 employees and is governed by a board of three directors appointed by the Governor in Council. For almost 60 years, the CDC has supported Canada's dairy industry by overseeing two key elements of supply management in this sector, namely the price of milk at the farmgate and national milk quotas.

To manage prices at the farmgate, the CDC conducts a study on the costs of producing milk annually. The indexed results of the study, along with the Consumer Price Index, are used in the National Pricing Formula (NPF), which determines the farmgate price adjustment. The NPF also takes inflation into account. In specific exceptional circumstances, and at the industry's request, this formula can be put aside. In this case, the CDC consults with stakeholders before deciding on the price of milk at the farm level.

Whether the new price is decided by the application of the NPF or through a pricing consultation with industry stakeholders led by the CDC Board, the price adjustment is announced at the latest on November 1. Provincial marketing boards use the results to adjust the price of milk on February 1 of each year.

For more information on how the farmgate price of milk and other annual price adjustments are determined, visit [Process for the Annual Cost of Production Survey and Pricing Milk at the Farm Level](#).

To adjust milk quotas, the CDC monitors and forecasts demand for dairy products monthly in Canada and notifies provincial marketing boards of the producer quota adjustments required to align milk production with demand and avoid a shortage or surplus. These quota adjustments take into account the quantity of dairy products that are imported under Canada's various trade agreements and that fill part of the domestic demand for dairy products. This way, Canadian milk production meets demand in a timely manner.

The CDC provides other services to the dairy industry, including storage of butter inventories to offset production and consumption seasonality as well as storage of cheese under Plan C to address milk surpluses. The corporation holds butter stocks for approximately 12 months to ensure Canadians have access to a steady supply of dairy products despite the seasonality of milk production and dairy product consumption.

The CDC also performs compliance audits to enforce dairy system rules, administers some industry decision-making committees by providing them with secretariat services and technical expertise, and administers programs on behalf of the industry and Agriculture and Agri-Food Canada (AAFC).

2.3 Mission

To provide leadership to enhance the vitality of the Canadian dairy industry for the benefit of Canadians.

2.4 Principal programs

The CDC creates and administers programs¹ for the benefit of the entire supply chain. The CDC consults with AAFC when creating new programs or reviewing existing programs to ensure that all programs meet departmental, as well as the Government of Canada's objectives and priorities. These programs do not overlap with those offered by other departments or agencies or by industry groups.

The table below summarizes these programs.

Table 1. Programs administered by the Canadian Dairy Commission

Program Name	Objective	Target Audience
Dairy Innovation Program	To give processors continued access to milk required to manufacture innovative dairy products.	Dairy processors
Matching Investment Fund ²	To encourage the use of dairy ingredients in food products.	Food processors

¹ CDC programs are further described on its website: [Programs | Canadian Dairy Commission](#)

² Paused for new applications effective February 2025 while program undergoes a review and update. MIF projects currently in progress will not be affected by this pause.

Program Name	Objective	Target Audience
Domestic Seasonality Programs (Plans A and B)	To ensure a steady supply of dairy products all year long despite the seasonality of consumption and to prevent milk waste. The CDC buys and stores butter during periods of lower consumption (January to September) and typically sells it back into the market when consumption rises (October to December).	Consumers
Plan C for cheese	A storage program for cheese to help manage variations in supply and demand and to support the industry in times of plant closures or short-term reductions in processing capacity.	Dairy processors
Mozzarella for fresh pizzas (Class 3d)	To provide fresh pizza restaurants access to mozzarella cheese at competitive prices for their sector of activity.	Pizza restaurants
Special Milk Class Permit Program (SMCPP)	To give further processors access to dairy products at competitive prices for use in further processing.	Further processors
Class 4(m) for animal feed	To maintain markets for solids non fat.	Animal feed manufacturers
Dairy Direct Payment Program (2024-2030) (on behalf of AAFC).	To compensate dairy producers for the impact of Canada-United States-Mexico Agreement (CUSMA).	Dairy producers
Dairy Innovation and Investment Fund (on behalf of AAFC)	To support dairy processors' efforts to invest in innovative solutions to facilitate the processing and utilization of all milk components.	Dairy processors
Market Growth Program : (on behalf of the Canadian Milk Supply Management Committee)	Stimulate investments for long-term market growth in Canadian dairy processing by supporting sustainable and innovative investment projects with an emphasis on the use of all milk components.	Dairy Processors

2.5 Financial situation

The CDC has four sources of revenues: appropriations, its operations, funding from milk producers for programs administered on their behalf, and contributions from the marketplace for the storage of butter and cheese.

To operate the Domestic Seasonality Program and the Plan C Program for cheese, the CDC borrows from the Consolidated Revenue Fund and borrowing costs are covered by dairy

producers and the marketplace. These loans must be approved by the Minister of Finance and are repaid according to their terms and conditions.

To perform the pooling of revenues on behalf of the dairy industry, the CDC maintains a line of credit with a member of the Canadian Payments Association. As established in the *Canadian Dairy Commission Act*, the CDC recovers all expenses related to the administration of the pools from the marketing boards of the provinces who are members of these pools.

Overall, the CDC's funding is relatively predictable, and the organization can adapt to small fluctuations.

3. OPERATING ENVIRONMENT

3.1 Internal environment

Human Resources

Although the CDC is a Crown corporation, the Treasury Board of Canada is the employer of CDC's 85 employees who are covered by the same collective agreements and pension plan as employees in the various government departments. However, the CDC is not subject to the *Public Service Employment Act*.

Due to the size of the organization, career advancement is limited, and for that reason, staff and expertise retention can be a challenge. The CDC has already put measures in place to increase retention, such as development plans and a supportive training policy, and continues to monitor the situation and to look for best practices in that regard. Recruiting employees with specialized knowledge in the fields of agricultural economics and the dairy industry remains a challenge due to the small number of potential candidates. Furthermore, the CDC faces competition from the private sector, where key groups such as economists, programmers, and accountants receive higher salaries than in the public service. Despite these challenges, the corporation currently benefits from a competent, engaged workforce. The CDC has a representative workforce (see Appendix I) and will continue to strive to maintain a diverse and inclusive vision for the future of the dairy sector that fosters a stronger role for Indigenous and other underrepresented and marginalized groups, including but not limited to women, youth, persons with disabilities and racialized groups.

Material Resources

The CDC does not own real estate, vehicles, or specialized equipment and it does not plan to buy real property during the planning period. The material resources of the CDC include computers, software, databases, and office furniture. These are deemed to be adequate.

The CDC leases office space from AAFC and has renewed its lease agreement for the period of April 1, 2022, to March 31, 2027, at the rental market value rates established by Treasury Board Policy on Management of Real Property.

3.2 External environment

As a program administrator and facilitator of the dairy industry, the CDC does not operate in an environment of competition, but rather one of collaboration with industry stakeholders. Its commercial operations include the Domestic Seasonality Programs which are similar to a butter storage program that ensures a steady supply of dairy products for consumers. Canadian butter manufacturers are partners in this program. The CDC also administers a cheese storage program, in partnership with cheese manufacturers. This program, called Plan C, may be activated under certain circumstances upon request from at least one provincial milk marketing board and approval by the Market Committee. The total program limit is 20,000 tonnes per dairy year.

Trade Agreements

The Comprehensive Economic and Trade Agreement (CETA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Canada-United States-Mexico Agreement (CUSMA) are the three most recent international trade agreements affecting the Canadian dairy industry. Once fully implemented, the impact of these agreements is expected to be a 7% loss of market share on a butterfat basis. Existing market access under the WTO represents a further 2% loss of market share, for an approximately 9% loss of market share for Canadian dairy producers. Imports under these agreements are taken into account when the CDC calculates requirements for Canadian milk.

As part of its normal activities and operations to support the supply management system, the CDC forecasts and measures monthly demand across Canada to establish production targets for each province/region.

Financial Trends

The Bank of Canada began decreasing interest rates in June 2024 from 5% to 3% in January 2025. Some major banks in Canada are projecting that the Bank of Canada rates will decrease to between 2% and 3% in 2025-2026. Interest rates in this Corporate Plan have been forecasted based on these assumptions, however there is an increased risk of volatility given the current geopolitical climate. The CDC borrows money from the Consolidated Revenue Fund and from a line of credit, therefore any interest rate increases will add to the Commission's finance charges. However, given the CDC borrowings are used for programs that the CDC administers on behalf of the dairy industry, the finance charges are recovered from either dairy producers or the marketplace, depending on the program.

In conclusion, variations in interest rates will have no impact on the total comprehensive income of the CDC.

3.3 CDC performance and external reviews

The CDC's legislative mandate is to "provide efficient producers of milk and cream with the opportunity to obtain a fair return for their labour and investment, and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality." To fulfil this mandate, since the beginning of the dairy year³, the CDC has accomplished the following:

Support Price

One element of the CDC's mandate is to provide efficient dairy farmers with the opportunity to obtain a fair return for their labour and investment. As part of the supply management system, the price producers receive for their milk is regulated and varies depending on the end use of the milk.

In October 2024, the CDC conducted the annual review of Canadian farmgate milk prices. Based on the results of the cost of production study and the NPF and consultations with stakeholders, the CDC recommended that the farmgate milk price decrease by 0.0237% on February 1, 2025. This decrease translates to less than 1 cent per litre of milk sold to processors. Despite a continued inflationary environment, producer efficiencies and productivity gains have contributed to helping balance on-farm costs this year, resulting in a decrease in the cost of production. The NPF combined with the consultation process have successfully captured this reduction.

In addition to the adjustment to the farmgate price of milk, the support price for butter decreased from \$10.3505 per kg to \$10.3489 per kg on February 1, 2025. The support price for butter is used by the CDC when buying and selling butter under its [Domestic Seasonality Programs](#). Under these programs, the CDC balances seasonal changes in supply and demand on the domestic market by buying butter from manufacturers and storing it when milk production is high and demand for dairy products is low (usually in the spring) and selling this butter back to manufacturers when the situation reverses itself (usually in the fall). These transactions occur at the support price, which contains three elements: the processors' make allowance, the carrying charges, and the price of milk components. The processor's make allowance for butter as well as the carrying charges remained unchanged.

Cost of Production Review

As part of its mandate to provide efficient producers of milk and cream with the opportunity

³ Dairy year: August 1 to July 31.

of obtaining a fair return for their labour and investment, the CDC conducts an annual Cost of Production (COP) study to measure on farm costs to produce one hectolitre of milk.

Processor Engagement

The CDC Board has been conducting various meetings with the main processors associations as well as direct industry committees. The objective is to improve synergies between processor associations and industry committees to optimize network relations and advance the dairy sector. The next step is to review and analyze all the information gathered to determine future actions. In parallel, a review of the multiple points of interactions between the CDC and processors will be conducted to determine issues that might have been overlooked.

Revision of the P10 Agreement

The Comprehensive Agreement on the Pooling of Milk Revenue, or the P10 agreement, is a federal-provincial agreement that determines how markets and revenues are pooled among Canadian dairy farmers. The CMSMC is the decision-making body of this agreement. As mandated by the CMSMC, the CDC has undertaken to rewrite this agreement to reflect the many decisions made by the CMSMC since the signing of the agreement in 2003. Signatories include provincial governments, milk marketing boards and the CDC. The CDC has finalized a draft, and signatories are in the final review stage. The CDC expects that the final version will be completed in fall 2025. After all signatories have agreed on the text, the CDC will seek Governor in Council approval.

Adapting the Dairy Product Marketing Regulations

In collaboration with AAFC and Justice Canada, the CDC is considering an update to the Dairy Product Marketing Regulations (DPMR) to modernize the regulations with respect to changes in dairy technology and administrative practices in supply management. These regulations were created in the 1990s to provide a framework to align provincial and federal authorities on quota. Modifying the DPMR remains a priority as part of a broader initiative to modernize the regulatory framework of the Canadian dairy industry to continue to provide Canadian processors with a level playing field. The CDC continues to collaborate with provincial milk marketing boards and governments regarding updates in their respective jurisdictions.

3.4 Alignment with government priorities and direction

In addition to contributing to the prosperity and viability of the Canadian dairy industry, activities of the CDC are aligned with the priorities listed below that are specific to agriculture and were highlighted in the Sustainable Canadian Agricultural Partnership (Sustainable CAP):

Growing markets for innovative and sustainable growth in the sector

The CDC continues to provide its support and expertise to the industry to foster industry

initiatives to utilize all milk components. With the implementation of the DIIF and the MGP, the aim is to help the sector modernize processing capacity as well as stimulate investments in long-term market growth in Canadian dairy processing.

The Dairy Innovation Program (DIP) and the Matching Investment Fund (MIF) support innovation that bring growth to the sector.

Protecting and working with supply-managed agricultural sectors to provide full and fair compensation with respect to CUSMA

The CDC is committed to supporting the dairy sector and helping the industry as it adapts to new trade agreements within the context of supply management to ensure long-term sustainability. The CDC is administering the second iteration of the DDPP from 2024 to 2030.

4. OBJECTIVES, ACTIVITIES, EXPECTED RESULTS AND PERFORMANCE INDICATORS

4.1 Objectives, activities, and performance measures for the planning period

Details on the CDC's performance in 2023-2024 are available in its Annual Report⁴.

In 2024-2025, the CDC and the industry have maintained a collaborative relationship; workforce numbers have stabilized; and the administration of the various aspects of the supply management system is performed according to targets.

Strategic priorities, goals, and objectives of the CDC for the planning period are a continuation of some of those detailed in last year's plan but also include some new ones in line with the industry's direction and needs. The objectives and performance indicators are grouped under the CDC's mandate and role as well as under three strategic priorities. This section of the Plan presents, for each strategic priority, the five-year strategic goals of the CDC, the 2025-2026 objectives, and the performance indicators associated with these objectives. Targets can be found in Appendix C.

The CDC's main role is to provide support to the Canadian dairy industry. It does not have the powers in its Act to direct the future of the industry. Typically, the environment in which the industry operates changes every three to five years. This change has been even more rapid in recent years. For those reasons, the CDC does not establish objectives on a horizon longer than five years.

⁴ [CDC 2023-2024 Annual Report](#)

CDC Mandate

Vision

Provide leadership to enhance the vitality of Canada's dairy industry for the benefit of Canadians.

The Canadian Dairy Commission strives to balance and serve the interests of all dairy industry representatives: producers, processors, further processors, exporters, consumers, and all levels of government.

Mandate

Provide efficient producers with the opportunity to obtain a fair return.

Provide consumers with a continuous and adequate supply of quality dairy products.

Below are the CDC's day-to-day operations of the milk supply management system which include the accurate targeting of the quantity of milk to be produced, the operations of programs that balance the differences in seasonality of production and consumption, the administration of federal-provincial agreements, and efforts to improve the administration of the system.

In addition, as the administrator of milk prices at the farmgate, production quotas, and revenue and market pooling, the CDC is responsible for a series of calculations, money transfers, and audits. These various activities are important to ensure that the supply management system runs smoothly.

Performance Indicators

- | | | | | | |
|--|--|---|---|---|---|
| <ul style="list-style-type: none"> • The cost of production (COP) has been calculated and published for incorporation into milk component prices by October 3. • The farmgate price of milk announced by November 1. | <ul style="list-style-type: none"> • Monthly revenue pooling calculations as well as fund and data transfers on target: 8 days maximum. | <ul style="list-style-type: none"> • 95% of planned audits have been completed (milk utilization audits, Special Milk Class Permit Program, joint audits, Import for Re-Export Program, revenue sharing, Class 3d, internal audits, program evaluation). | <ul style="list-style-type: none"> • The support price for butter has been set by November 1 to be used in seasonal programs that balance supply and demand. | <ul style="list-style-type: none"> • 100% of the WTO butter tariff rate quota has been imported. | <ul style="list-style-type: none"> • Demand forecasts are within 2% of actual demand. • Time from receipt of provincial data to quota allocation: 8 days maximum • Programs applications are consistently processed as per the established delivery standards. |
|--|--|---|---|---|---|

CDC 2025-2026 STRATEGIC PRIORITIES

Strategic Priority #1: Cultivate industry collaboration toward a sustainable and resilient Canadian dairy industry

Under this strategic priority, and in line with its mission of providing leadership to enhance the vitality of the Canadian dairy industry, the CDC will provide support and leadership to foster industry initiatives that aim to increase demand for all milk components. As well, the CDC will work with the industry to develop a national shared vision.

5-year Strategic Goals	1.1 Facilitate industry focus on balanced and sustainable growth for all milk components.	1.2 Advance a national dialogue on the development of a shared vision for the dairy industry.
Objectives for 2025-2026	Support the industry to implement tools and programs to use all milk components.	Foster national discussion of a vision for a sustainable industry.
Performance Indicators	Market Growth Programs (PLR, MSVP, Milk supply stream) to utilize all milk components have been fully implemented.	The CDC is continuing to support the industry on its strategy, governance, and sustainability initiatives.

Strategic Priority #2: Modernize tools and practices to enable effective national data-driven decisions to optimize the Canadian dairy supply management system

This strategic priority puts emphasis on the importance of ensuring that the Canadian dairy supply management system is managed using modernized tools and policies, and that decisions that affect it are based on solid data. The CDC will work with the industry to modernize its tools, it will ensure that the industry continues to adapt supply management’s legal framework to current conditions, and it will manage its programs efficiently while ensuring that they are aligned with industry objectives.

5-year Strategic Goals	2.1 Modernize and update calculations around the establishment of the farmgate price of milk.	2.2 Lead the industry to continue to adapt the supply management legal framework to current conditions.	2.3 Adapt CDC programs to changing industry landscape.
Objectives for 2025-2026	Have a roadmap for a multi-phased COP review.	Supply management rules are clear, up-to-date, and relevant.	Conduct CDC programs review.
Performance Indicators	Implement phase 1 of the COP review to optimize data collection and dissemination process.	New or updated regulatory agreements are adapting supply management to current conditions.	CDC innovation programs and SMCPP have been reviewed.

Strategic Priority#3: Optimize organizational effectiveness in the face of competing priorities

Under this theme, the CDC is focused on ensuring it has the people and tools to support the dairy industry into the future. Approaches will include implementing an IM framework of a streamlined decision-making process and ensuring employee engagement by removing barriers, celebrating diversity and ensuring that staff have the tools they need to fully contribute to the effectiveness of the CDC.

5-year Strategic Goals	3.1 Optimize CDC governance and decision-making process.	3.2 Support a resilient CDC workplace and workforce.
Objectives for 2025-2026	Formalize the adoption of a CDC decision-making process, including the Information Management (IM) framework as a supporting tool.	Enhance an inclusive work environment that fosters staff development.
Performance Indicators	Initial implementation of the Information Management (IM) framework of the streamlined decision-making process and of the strategic plan is completed.	Tools are in place to remove barriers, diversity is celebrated, and tools are offered to staff so that they can fully contribute to the organization’s effectiveness.

5. FINANCIAL OVERVIEW

5.1 Overall financial management

The CDC is a Crown corporation with sound financial and risk management practices. Each year, managers are consulted in order to establish the administration budget. This budget is then finalized by the Senior Management Team and approved by the Board. During the year, the Audit Committee reviews and recommends for Governing Board' consideration the quarterly financial reports which, upon approval, are posted on the CDC public [website](#) and sent to the Comptroller General. The Board also reviews and approves the year-end financial statements, which are audited by the Office of the Auditor General and included in the Annual Report, which is tabled in Parliament.

5.2 Major assumptions used in preparing budgets

The CDC's budgeted financial tables are based on certain assumptions and projections while forecasts are based partially on actual results up to December 31, 2024. Certain financial results are particularly sensitive to any significant fluctuations in assumptions made with regards to domestic demand and milk production, which affect our purchases and sales of butter as well as our inventories, and related costs. The timing of the implementation of industry initiatives and fluctuations in interest rates also have an impact on projected financial results.

Demand from 2024-2025 is expected to increase by 2% per year during 2025-2026 to 2029-2030.

Domestic sales of butter (which include imported butter) will be approximately 23.7 million kg for 2024-2025, 26.9 million kg for 2025-2026 and 22.3 million kg the remainder of the years.

Budgets also assume cheese stocks of 1,500 tonnes at year-end in 2024-2025 and 2025-2026, and 1,100 tonnes for 2026-2027 and for the remainder of the planning period. The Plan C cheese program helps deal with milk production that exceeds processing capacity, especially during Holiday periods.

The interest rates used for outstanding loans from the Consolidated Revenue Fund (CRF) are estimated, based on the Bank of Canada overnight rates, to be 2.75 % for the remainder of 2024-2025, 2.5% for 2025-2026, and 3.0% for the remainder of the years. Interest rates on loans from the member of Canadian Payments Association will remain at prime, which is estimated to be 4.75% for 2024-2025, 4.5% for 2025-2026, and 5.0% for the remainder of the

years. These assumptions are based on projections published by financial institutions in Canada.

5.3 Financial statements and notes

CANADIAN DAIRY COMMISSION STATEMENT OF FINANCIAL POSITION as at JULY 31, 2024-2030								
(in thousands)								
	Actual Audited 2023-24	Budget 2024-25	Forecast 2024-25	Budget				
				2025-26	2026-27	2027-28	2028-29	2029-30
ASSETS								
Current								
Cash	\$ 4	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Trade and other receivables								
Trade receivables	1,553	980	985	980	975	970	965	965
Advance to provincial milk boards and agencies	6,831	12,240	12,000	12,240	12,485	12,734	12,989	13,249
Milk pools	1,591	1,800	1,800	1,800	1,800	1,900	1,900	1,900
Inventory	111,816	126,074	172,169	126,958	129,478	132,050	134,673	137,348
Plan C repurchase agreements	9,832	2,475	4,526	8,978	4,950	4,950	4,950	4,950
	131,627	144,069	191,980	151,456	150,188	153,104	155,977	158,912
Non Current								
Plan C repurchase agreements	2,857	2,475	8,978	4,950	4,950	4,950	4,950	4,950
Right-of-use of asset	407	254	255	102	1,539	1,385	1,226	1,067
	3,264	2,729	9,233	5,052	6,489	6,335	6,176	6,017
Total Assets	\$ 134,891	\$ 146,798	201,213	\$ 156,508	\$ 156,677	\$ 159,439	\$ 162,153	\$ 164,929
LIABILITIES								
Current								
Bank overdraft	\$ 6,831	\$ 12,240	12,000	\$ 12,240	\$ 12,485	\$ 12,734	\$ 12,989	\$ 13,249
Trade and other payables								
Trade payables and accruals	27,381	14,408	12,198	12,431	8,397	8,566	8,737	8,911
Distribution to provincial milk boards and agencies	130	176	702	267	226	226	226	226
Other payables	1,347	1,393	1,490	1,162	1,260	1,277	1,241	1,259
Deferred revenue	0	500	500	500	500	500	500	500
Loans from the Government of Canada	68,925	92,315	147,606	104,789	108,098	111,372	114,906	118,843
	104,614	121,032	174,496	131,389	130,966	134,675	138,599	142,988
Non Current								
Lease Liability	495	292	335	170	1,599	1,457	1,311	1,161
EQUITY								
Retained Earnings	29,782	25,474	26,382	24,949	24,112	23,307	22,243	20,780
Total Liabilities and Equity	\$ 134,891	\$ 146,798	201,213	\$ 156,508	\$ 156,677	\$ 159,439	\$ 162,153	\$ 164,929

Statement of Operations and Comprehensive Income (Loss)

The domestic sales and cost of goods sold forecasted for 2024-2025 and budgeted for 2025-2026 are higher than those budgeted for 2024-2025 and those planned for the remainder of the planning period. This is mainly the result of purchasing more butter than planned in 2024-2025 and a resulting increased year-end inventory level which will be sold in 2025-2026.

Finance costs in 2025-2026 are expected to decrease compared to the 2024-2025 as we expect to sell the increased level of inventory purchased in 2024-2025 and interest rates are anticipated to reduce slightly during this period. Interest rates are forecasted to remain relatively stable for the remainder of the planning period. The CDC borrows the amounts

required to operate several industry programs from the Consolidated Revenue Fund. As these are industry-funded programs, the transport, carrying, and interest charges are paid by the marketplace and dairy producers.

The loss on domestic sales forecasted in 2024-2025 and budgeted for future dairy years represents the financing, transport and carrying charges associated with the Domestic Seasonality Program. These charges continue to be entirely recovered from the marketplace and producers as part of the funding from milk pools. There is no actual loss for the CDC.

Figures for the funding from the Government of Canada reflect the actual appropriation plus forecasted eligible payroll expenditures such as parental leave for the dairy year. Appropriations are assumed to remain close to that level for subsequent years.

Income from professional services includes funding received from Agriculture and Agri-Food Canada (AAFC) for the administration of the Dairy Direct Payment Program (DDPP) and the Dairy Innovation and Investment Fund (DIIF). Revenues for performing plant audits in 8 provinces are also included. A decrease in income is observed starting in 2027-2028 as per the funding profile agreed upon with AAFC for the administration of the DDPP and DIIF.

“Plan C program expenses” includes storage, insurance and interest costs incurred for cheese purchased under this program. These costs are influenced by the quantities of Plan C cheese held throughout the dairy year. They are recovered from the producers and the marketplace, therefore have no impact on the CDC’s bottom line. These costs are expected to be higher in 2025-2026 and 2026-2027 as the average quantities held during those years are expected to be higher.

The forecasted and planned results of the Statement of Operations and Comprehensive Income (Loss) are intentionally negative starting in 2024-2025 as the CDC plans investments towards initiatives that will gradually use the balance of the imported butter and marketplace accounts.

CANADIAN DAIRY COMMISSION
STATEMENT OF OPERATIONS AND COMPREHENSIVE PROFIT (LOSS)
for the Dairy Years ended July 31, 2024 - 2030

	(in thousands)							
	Actual Audited	Budget	Forecast	Budget				
	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Domestic sales and cost of sales								
Sales revenue	\$ 159,888	\$ 221,911	\$ 243,729	\$ 278,014	\$ 233,698	\$ 237,719	\$ 241,821	\$ 246,005
Cost of goods sold	156,809	220,086	241,586	276,437	232,163	236,184	240,285	244,469
Transport and carrying charges	2,619	3,385	4,883	3,635	3,107	3,167	3,227	3,287
Finance costs	908	2,126	2,228	1,577	1,516	1,518	1,616	1,619
Gross profit (loss) on domestic sales	(448)	(3,686)	(4,968)	(3,635)	(3,088)	(3,150)	(3,307)	(3,370)
Other income								
Funding from milk pools	10,006	10,883	11,521	12,959	13,121	13,233	13,485	13,884
Funding from the Government of Canada	5,583	5,101	5,076	5,174	5,195	5,196	5,198	5,198
Professional services and other Income	2,506	2,275	2,301	2,297	2,261	2,133	2,000	1,300
	18,095	18,259	18,898	20,430	20,577	20,562	20,683	20,382
Total gross profit (loss) on domestic sales and other income	17,647	14,573	13,930	16,795	17,489	17,412	17,376	17,012
Operating Expenses								
Industry initiatives	227	1,250	616	800	800	800	800	800
Cost of Production study	1,123	1,183	1,222	1,282	1,313	1,339	1,366	1,393
Plan C program costs	671	1,108	995	1,453	1,297	942	942	953
Other charges (recoveries)	874	842	645	636	717	738	759	780
	2,895	4,383	3,478	4,171	4,127	3,819	3,867	3,926
Administrative Expenses								
Salaries and employee benefits	9,765	10,825	10,849	11,560	11,734	11,910	12,088	12,070
Other administrative expenses	2,196	2,325	2,301	2,230	2,239	2,262	2,258	2,254
	11,961	13,150	13,150	13,790	13,973	14,172	14,346	14,324
Total operating and administrative expenses	14,856	17,533	16,628	17,961	18,100	17,991	18,213	18,250
Profit (loss) before distribution to provincial milk boards and agencies	2,791	(2,960)	(2,698)	(1,166)	(611)	(579)	(837)	(1,238)
Distribution to provincial milk boards and agencies	130	176	702	267	226	226	226	226
Total comprehensive profit (loss)	\$ 2,661	\$ (3,136)	\$ (3,400)	\$ (1,433)	\$ (837)	\$ (805)	\$ (1,063)	\$ (1,464)

CANADIAN DAIRY COMMISSION
STATEMENT OF CASH FLOWS
for the Dairy Years ended July 31, 2024 - 2030

	(in thousands)							
	Actual Audited	Budget	Forecast	Budget				
	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Cash flows from (used in) operating activities								
Cash received from customers and others	\$ 163,165	\$ 224,191	\$ 247,098	\$ 280,316	\$ 235,964	\$ 239,857	\$ 243,826	\$ 247,305
Cash paid to suppliers and others	(187,317)	(251,818)	(338,964)	(252,514)	(259,748)	(259,543)	(264,032)	(268,309)
Cash receipts from provincial milk boards and agencies (pooling)	14,285	10,643	6,143	12,719	12,876	12,883	13,230	13,624
Cash paid to provincial milk boards and agencies (operating surplus)	(230)	(605)	(130)	(702)	(267)	(226)	(226)	(226)
Cash receipts from the Government of Canada	5,583	5,101	5,076	5,174	5,195	5,196	5,198	5,198
Cash paid for Plan C repurchase agreements	(9,455)	(2,215)	(11,266)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)
Cash receipts from Plan C repurchase agreements	8,758	9,298	10,450	4,527	8,978	4,950	4,950	4,950
Interest paid on loans and the lease liability	(757)	(4,950)	(1,601)	(1,827)	(1,442)	(1,547)	(1,640)	(1,639)
Net cash flows from (used in) operating activities	(5,968)	(10,355)	(83,194)	42,743	(3,394)	(3,380)	(3,644)	(4,047)
Cash flows from (used in) financing activities								
New loans from the Government of Canada	137,286	200,000	190,000	200,000	200,000	200,000	200,000	200,000
Loan repayments to the Government of Canada	(127,068)	(189,725)	(111,319)	(242,818)	(196,690)	(196,728)	(196,465)	(196,063)
Principal payments on lease liability	(157)	(161)	(160)	(165)	(161)	(142)	(146)	(150)
Net cash flows from (used in) financing activities	10,061	10,114	78,521	(42,983)	3,149	3,130	3,389	3,787
Net decrease (increase) in bank overdraft	4,241	(240)	(4,673)	(240)	(245)	(250)	(255)	(260)
Net bank overdraft at beginning of the year	(11,068)	(11,500)	(6,827)	(11,500)	(11,740)	(11,985)	(12,234)	(12,489)
Net bank overdraft at end of the year	\$ (6,827)	\$ (11,740)	(11,500)	\$ (11,740)	\$ (11,985)	\$ (12,234)	\$ (12,489)	\$ (12,749)
Components:								
Cash	\$ 4	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Bank overdraft	(6,831)	(12,240)	(12,000)	(12,240)	(12,485)	(12,734)	(12,989)	(13,249)
Net bank overdraft	\$ (6,827)	\$ (11,740)	(11,500)	\$ (11,740)	\$ (11,985)	\$ (12,234)	\$ (12,489)	\$ (12,749)

Statement of Changes in Equity

This statement is included to present a complete set of financial statements in the Plan as required by the IFRS. This statement presents changes in equity year over year after all the financial inflows and outflows.

The CDC's retained earnings are used to finance initiatives that benefit the entire industry, such as research, workforce development, and milk quality control.

CANADIAN DAIRY COMMISSION
STATEMENT OF CHANGES IN EQUITY
for the Dairy Years ended July 31, 2024 - 2030

	(in thousands)								
	Actual Audited		Budget	Forecast	Budget				
	2023-24		2024-25	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Retained earnings, beginning of the year	\$ 27,121	\$	28,610	\$ 29,782	\$ 26,382	\$ 24,949	\$ 24,112	\$ 23,307	\$ 22,243
Total comprehensive loss for the year	2,661		(3,136)	(3,400)	(1,433)	(837)	(805)	(1,063)	(1,464)
Retained earnings, the end of the year	\$ 29,782	\$	25,474	\$ 26,382	\$ 24,949	\$ 24,112	\$ 23,307	\$ 22,243	\$ 20,780

Administrative Expenses and Funding

The administrative budget provides details of the CDC's forecasted expenses and sources of revenues.

Major expenditures in the administrative budget are salaries and employee benefits. As mentioned in section 3.1, the Treasury Board of Canada is the employer of the CDC's employees, who are covered by the same collective agreements and pension plan as employees in the various government departments.

Professional services and special services are mainly comprised of services relating to audits, HR, legal counsel, translation, simultaneous interpretation, and market studies.

CANADIAN DAIRY COMMISSION
ADMINISTRATIVE EXPENSES AND FUNDING
for the Dairy Years ended July 31, 2024 - 2030

(in thousands)

	Budget 2024-25	Forecast 2024-25	Budget				
			2025-26	2026-27	2027-28	2028-29	2029-30
Personnel	\$ 10,712	\$ 10,849	\$ 11,560	\$ 11,734	\$ 11,910	\$ 12,088	\$ 12,070
Professional and special services	1,562	1,405	1,491	1,491	1,491	1,491	1,491
Rentals	307	288	301	309	333	329	325
Transportation & communications	403	389	382	382	382	382	382
Information services	7	6	6	6	6	6	6
Acquisition of equipment	112	176	26	26	26	26	26
Materials and supplies	12	4	12	12	12	12	12
Repair and maintenance	30	28	8	8	8	8	8
Miscellaneous expenditures	4	4	4	5	5	4	4
Total Administrative expenses	\$ 13,150	\$ 13,150	\$ 13,790	\$ 13,972	\$ 14,172	\$ 14,346	\$ 14,324
Capital expenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Administrative and Capital expenses	\$ 13,150	\$ 13,150	\$ 13,790	\$ 13,972	\$ 14,172	\$ 14,346	\$ 14,324
Share of Funding							
Appropriation breakdown:							
CDC appropriation Vote 1	\$ 4,822	\$ 5,026	\$ 5,099	\$ 5,120	\$ 5,121	\$ 5,123	\$ 5,123
Eligible playlist expenditures	75	51	75	75	75	75	75
Total Government appropriation	\$ 4,897	\$ 5,077	\$ 5,174	\$ 5,195	\$ 5,196	\$ 5,198	\$ 5,198
Producer contribution	\$ 2,860	\$ 2,860	\$ 3,150	\$ 3,250	\$ 3,400	\$ 3,500	\$ 3,750
Marketplace contribution	1,800	1,800	1,925	2,000	2,100	2,150	2,300
Other	3,593	3,413	3,541	3,527	3,476	3,498	3,076
Total Funding	\$ 13,150	\$ 13,150	\$ 13,790	\$ 13,972	\$ 14,172	\$ 14,346	\$ 14,324

Borrowing Plan

Legislative Borrowing Authorities

Under subsection 16(1) of the Canadian Dairy Commission Act (CDC Act), the Minister of Finance may, out of the Consolidated Revenue Fund, make loans to the CDC as are approved by the Governor in Council for the purpose of exercising any of the powers of the Commission described in section 9(1) (a) and (b) of the CDC Act:

- a) purchase any dairy product and sell, or otherwise dispose of, any dairy product purchased by it;
- b) package, process, store, ship, insure, import or export any dairy product purchased by the Commission.

Under subsection 16.1(1) of the CDC Act, the CDC may establish an account with any member of the Canadian Payment Association (CPA) for the purpose of, and may deduct from that account, any necessary and proper expenses incurred in exercising any of its power set out in paragraphs 9(1) (f) to (i).

Under subsection 16.1(2) of the CDC Act, with the approval of the Minister of Finance, the CDC may establish and use a line of credit with any member of the CPA for the purpose of exercising any of its powers set out in paragraph 9(1) (f) to (i).

According to section 16(2) of the CDC Act, total aggregate amount outstanding at any time of loans made under subsection 16(1) and amounts drawn under subsection 16.1(2) shall not exceed \$500 million.

CANADIAN DAIRY COMMISSION
BORROWING PLAN
for the Dairy Years ended July 31, 2024 - 2030

Table 1: Outstanding borrowings at July 31 (\$millions)

	Actual 2023-24	Budget 2024-25	Forecast 2024-25	Budget				
				2025-26	2026-27	2027-28	2028-29	2029-30
Short-term borrowings	\$ 75.8	\$ 104.6	\$ 159.6	\$ 117.0	\$ 120.6	\$ 124.1	\$ 127.9	\$ 132.1
Long-term Borrowings	-	-	-	-	-	-	-	-
Total borrowings	\$ 75.8	\$ 104.6	\$ 159.6	\$ 117.0	\$ 120.6	\$ 124.1	\$ 127.9	\$ 132.1

Table 2: Short-term borrowings as of July 31 (\$ millions)

	Actual 2023-24	Budget 2024-25	Forecast 2024-25	Budget				
				2025-26	2026-27	2027-28	2028-29	2029-30
Canadian dollars	\$ 75.8	\$ 104.6	\$ 159.6	\$ 117.0	\$ 120.6	\$ 124.1	\$ 127.9	\$ 132.1
US dollars (expressed in canadian dollars)	-	-	-	-	-	-	-	-
Total borrowings	\$ 75.8	\$ 104.6	\$ 159.6	117.0	120.6	124.1	127.9	132.1

Table 3: Peak borrowings during the year (\$ millions)

Method and currency used	Actual 2023-24	Budget 2024-25	Forecast 2024-25	Budget				
				2025-26	2026-27	2027-28	2028-29	2029-30
Line of credit: Canadian dollars	\$ 14.9	\$ 14.0	\$ 14.0	\$ 14.0	\$ 14.0	\$ 14.0	\$ 14.0	\$ 14.0
Line of credit: US dollars (expressed in canadian dollars)	-	-	-	-	-	-	-	-
Borrowings: Canadian dollars	69.0	108.1	145.1	152.2	124.3	127.7	131.4	135.6
Borrowings: US dollars (expressed in Canadian dollars)	-	-	-	-	-	-	-	-
Total borrowings	\$ 83.9	\$ 122.1	\$ 159.1	166.2	138.3	141.7	145.4	149.6

APPENDIX A

Planned Results

CDC Mandate

Outcome	Performance indicator	Baseline	2025-2026 Target	2029-2030 Target	Data Strategy
Provide efficient producers with the opportunity to obtain a fair return.	The Cost of Production (COP) has been calculated and published for incorporation into milk component prices by October 3.	COP survey and process procedures.	October 3	Early October	Compilation by Policy and Economics (P&E).
	The farmgate price of milk has been announced by November 1.	None	Farmgate price of milk announced by November 1.	Farmgate price of milk announced by November 1.	Compilation by P&E and Communications.
	Monthly revenue pooling calculations as well as fund and data transfers are on target.	None	8 days maximum	8 days maximum	Compilation by Finance and Administration.
	Planned audits have been completed.	32 Milk Utilization Audits (MUA) 35 Special Milk Class Permit Program (SMCPP) audits 9 Joint Audits 3 Import for Re-Export Program (IREP) audits 10 Revenue Sharing audits 30 Class 3(d) audits	95% of planned audits have been completed (200 MUA, 30 SMCPP, 9 joint audits, 3 IREP, 10 revenue sharing, 25 Class 3d, 2 internal	95% of planned audits have been completed.	Compilation by Audit and Evaluation.

		2 Internal Audits 1 Program Evaluation audit	audits, 1 program evaluation).		
Provide consumers with a continuous and adequate supply of quality dairy products at all times.	The support price for butter has been set by November 1 to be used in seasonal programs that balance supply and demand.	None	Support price has been set by November 1.	Support price has been set by November 1.	Compilation by P&E.
	100% of the WTO Tariff rate quota has been imported.	3,274 tonnes	3,274 tonnes	3,274 tonnes	Compilation by Commercial Operations and Marketing.
	Accuracy of demand forecasts	None	Demand forecasts are within 2% of actual demand.	Demand forecasts are within 2% of actual demand.	Compilation by P&E.
	Time from receipt of pooling data to quota allocation	8 days maximum (2016-2017)	8 days maximum	8 days maximum	Compilation by Finance and Administration.
	Programs applications are consistently processed as per the established delivery standards.	Program delivery standards	Based on each program's individual delivery standards	Based on each program's individual delivery standards	Compilation by program managers.

CDC 2025-2026 Strategic Priorities

Priority	Performance indicator	2025-2026 Target	2029-2030 Target	Data Strategy
Cultivate industry collaboration toward a sustainable and resilient Canadian dairy industry.	Market Growth Programs (PLR, MSVP, Milk supply stream) to utilize all milk components have been fully implemented.	• A decision on whether/how to reduce the number of milk classes to stimulate demand has been rendered by the Canadian Milk Supply Management Committee (CMSMC). • A decision on PLR has been rendered. • The Milk supply stream and MSVP are being implemented.	The CDC has facilitated industry focus on balance and sustainable growth for all milk components and has supported the industry to implement tools and programs to reduce structural surplus.	Monitoring and compilation by P&E.
	The Canadian Dairy Commission (CDC) is continuing to support the industry on its strategy, governance, and sustainability initiatives.	• The CDC has started to coordinate the implementation of the P10 pooling committee's strategic initiatives and governance. • The CDC continues to promote discussions with stakeholders to adopt P10 policies, including sharing of quotas and transportation costs at the national level. • The CDC took stock and consolidated stakeholders' sustainability initiatives to determine key areas of contribution for the CDC and the CMSMC. • Evaluate and formalize avenues to consider processors perspectives in decision-making.	The CDC has advanced a national dialogue on the development of a shared vision for a sustainable dairy industry.	Monitoring and compilation and evaluation by P&E.

Priority	Performance indicator	2025-2026 Target	2029-2030 Target	Data Strategy
Modernize tools and practices to enable effective national data-driven decisions to optimize the Canadian dairy supply management system.	Implement phase 1 of the COP review to optimize data collection and dissemination process.	- Streamlined approach is implemented by P&E to improve efficiency and effectiveness of the COP study. - Technical improvements are made by P&E to improve efficiency and effectiveness of the COP.	Calculations around the establishment of the farmgate price of milk have been modernized and updated to optimize data collection and dissemination process.	Monitoring and compilation by P&E.
	New or updated regulatory agreements are adapting supply management to current conditions.	- A new national revenue and market sharing agreement with the provinces has gone through all necessary approval levels for implementation. - Proposed Dairy Products Marketing Regulations (DPMR) have been drafted and shared with provincial partners. - A process to review National Milk Marketing Plan is initiated.	The industry continues to adapt the supply management legal framework to current conditions.	Monitoring and compilation by P&E.
	CDC innovation programs and SMPCPP have been reviewed.	- CDC programs supporting innovation and investment are adopted and program documents are updated and finalized. - Continue to develop a plan to streamline the administration of Special Milk Class Permit Program (SMCPP) and to enhance participant experience. A project management framework has been developed.	CDC has conducted a review of its programs to ensure they have been adapted to changing industry landscape.	Monitoring and compilation by Programs team.

Priority	Performance indicator	2025-2026 Target	2029-2030 Target	Data Strategy
Optimize Organization Effectiveness in the Face of Competing Priorities.	Initial implementation of the Information Management (IM) framework, of the streamlined decision-making process and of the strategic plan is completed.	• Terms of reference for governing bodies are refined, updated and submitted for approval. • A decision-making framework has been developed and implemented (e.g.: prioritization framework + Decision tree to align the CDC with its Act, its strategic objectives, etc. (including consideration for consumers, processors, producers, milk marketing boards, etc.). • An updated strategic planning process is being implemented. • The IM framework is up, running, and adopted.	CDC has optimized its governance and decision-making process by formalizing the adoption of a decision-making process, including the IM framework as a supporting tool.	Monitoring and compilation by Corporate Services.
	Tools in place help remove barriers, diversity is celebrated, and tools are offered to staff so that they can fully contribute to the organization's effectiveness.	• Sustain the workplace wellbeing of employees through an annual assessment of the evaluation of the activities • Policy on training program for employees is reviewed. • A strategy is in place to support employees' professional development to meet the CDC's needs and individual career objectives.	The CDC has supported a resilient CDC workplace and workforce to enhance an inclusive work environment that fosters staff development.	Monitoring and compilation by Corporate Services.

Chief Executive Officer Commitment:

I, Benoit Basillais, as Chief Executive Officer of the Canadian Dairy Commission, am accountable to the Governing Board of the Canadian Dairy Commission for the implementation of the results described in this Corporate Plan and outlined in this Appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.

Benoit Basillais
Chief Executive Officer
Canadian Dairy Commission

Original signed
April 29, 2025