



HOLSTEIN CANADA ANNUAL REPORT

20
24

CONTENTS

03

President's Message

04

Board of Directors

05

Board Committees

06

Operational Message

08

Member Awards & Recognitions

09

2024 Non-binding Resolutions: Action Updates

13

2024 Financial Highlights

17

2024 Financial Report



Facebook
Holstein Canada



Twitter
@holsteincanada



Instagram
Holstein Canada



YouTube
HolsteinCanadaVideo



TikTok
holstein.canada

Holstein Canada
20 Corporate Place, Box. 610
Brantford, Ontario N3T 5R4

Toll Free: 1 855 756-8300
Text: 226-401-8305
www.holstein.ca

COVER:
LINDENOORD
Heatherton, NS



PRESIDENT'S MESSAGE



Dear Members,

The 2024 year has been one of both challenges and also successes. I became President of the Holstein Canada Board of Directors mid-term, under less-than-ideal conditions. Extraordinary circumstances have challenged our Governance. First and foremost, we must admit when our actions have not always been correct and appropriate and take corrective measures to ensure adherence to our Association's by-laws and proper governance practices. I want to commend the professionalism demonstrated by Ms. Nancy Beerwort, elected President last April. In welcoming Nancy back to our Board, I extend our sincere regrets for the misunderstandings that created challenges in this aspect of our governance.

Such circumstances force us to analyze, learn, and grow. That is exactly what the members of the Board of Directors have done, working hard to meet the challenges and opportunities of a hectic year. We have given much thought to the governance formula and policies that best meet our members' current and future needs in this fast-changing industry. We have committed to assessing these by-laws and policies, while adding Board training and expertise in this area moving forward.

Similar to what we all do on-farm, we did not hesitate to call on advisors who could guide us. On behalf of the Board, I would like to thank Paul Larmer, who has extensive experience working with producer Boards, for supporting our ongoing efforts to reposition ourselves in this remarkable and constantly evolving industry. Our hard work (and the maturity to ask fundamental questions) will lead to the unveiling of the key elements of our Strategic Plan at our AGM in Halifax, our roadmap for the next three years.

Several encouraging results during the year confirmed our Association's critical role in the Canadian industry. In particular, we are delighted to have signed a new agreement with Dairy Farmers of Canada for the proAction® program. We reiterate our support to this important partner and all our industry partners, especially in times of uncertain trade negotiations. As often demonstrated, our strength in Canada lies in our ability to stand up TOGETHER! To our colleagues from other Breeds, from genetic companies, and from Lactanet, with whom I had the pleasure of participating in a study tour to the Netherlands, I want to make it very clear that Holstein Canada wants to be a significant and collaborative partner for the benefit of our Canadian producers.

Our financial results for 2024 are encouraging and provide us with additional resources for completing our next Strategic Plan. Rest assured that we will continue to manage this money – your money – responsibly. Farmers know all too well the importance of keeping an eye on expenses while investing. To this end, we intend to invest in our most important resource: our Team. Recruitment, retention and ongoing staff training will be priorities so we can offer you products and services that will contribute to your business' profitability. We very much want to have people on the ground with you.

Our Board of Directors had the support of a powerful Team, who pulled out all the stops in the absence of our CEO for most of the year. Thanks to these individuals, and the various Board Committees, Holstein Canada has "delivered the goods" while preparing for the future. I thank them sincerely on behalf of all our members.

I would also like to thank the Directors for their openness during the year and You, our Members, for your patience and loyalty. We take great pride in our past and show it as we celebrate 100 years of Classification. Above all, we feel energized and motivated for the future!

This year, I have received excellent support from our Directors, the Team, Mentors, and You, our Members, who gave me words of encouragement and invaluable advice. I am very grateful for this.

However, only two reasons made it possible for me to embrace this adventure, which has allowed me to grow tremendously over the last few months: the support of my Team at Lacnor Farm and the love of my family. Words fail me in expressing my thanks.

Warm regards,

A handwritten signature in dark ink that reads "Gilles Côté". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gilles Côté
President of the Board

BOARD OF DIRECTORS

GILLES CÔTÉ

President
Saint-Bruno, QC

DOUG PEART

Vice-president & Chair
Hagersville, ON

KAREN VERSLOOT

3rd Member to the Executive
Keswick Ridge, NB

BENOÎT TURMEL

Sainte-Marie, QC

NICOLAS LALANDE

Saint-Placide, QC

SYLVIE MAHANNAH

Saint-Télesphore, QC

BRIAN SLAUGHTER

Warwick Township, ON

DENNIS WERRY

Hampton, ON

MELVILLE "MEL" MCLEAN

Gananoque, ON

HAROLD SWEETNAM

Stanley, MB

WILLEM VANDERLINDE

Lacombe, AB

BRIAN HAMMING

Vernon, BC



BOARD COMMITTEES



Audit, Risk Management and Finance

Chair: Benoît Turmel, QC



Awards

Chair: Sylvie Mahannah, QC



Breed Advisory

Chair: Harold Sweetnam, SK & MB



Classification Advisory

Chair: Willem Vanderlinde, AB & N.W.T.



Governance

Chair: Brian Slaughter, ON



Human Resources

Chair: Gilles Côté, QC



Show and Judging

Chair: Brian Slaughter, ON



Young Leaders Advisory

President: Lysanne Pelletier, QC

Vice-President: Emma Prelaz, ON

Board Representatives:

Karen Versloot, ATL

Nicolas Lalande, QC



OPERATIONAL MESSAGE

JULIO
Granby, QC

Dear Holstein Canada Members,

We would like to update you on our 2024 accomplishments based on our 2022 Strategic Plan, which guided the Management Team and Staff throughout the last year and into 2025.

Reflecting on Successes

We have worked on efficiency and enhancing member services at all levels based on producer feedback, Staff input and workflow reviews, all with ease of use and cost-effectiveness at the forefront.

We have made improvements to our website, including enhancing our Top Genetic Females search by allowing a toggle to show only new results for the latest genetic evaluation date. ConneXXion was made even more user-friendly and intuitive for Registrations by allowing sire search to be done by Sire Short Name. Genomic test requests were improved by increasing attention to the sample submission process. Tag Reissue ordering was added, giving producers who purchase ©DairyTrace tags the most efficient way to manage ordering lost or damaged tags from the palm of their hand.

Additionally, for producers with electronic document preferences, we have introduced a monthly statement message. We have simplified our notifications by showing you the amount you owe and providing a quick link to your account so you can review your statement and make a payment.

As part of our commitment to financial stability, we have conducted a comprehensive cost analysis of our business and services. The results will offer valuable insights to inform Strategic Planning efforts.

Retention and Recruitment

Our communication focus for the past year has been on using Registration, Genomic Testing and Classification as management tools. Ultimately, adding these tools to a herd management plan provides the information needed to successfully build a sustainable and profitable herd for future generations. Including Holstein Canada's services in dairy producers' management strategy alongside services offered by genetic companies and Lactanet became a theme for our Dairy Dynamics Workshops. The trial of these workshops in 2024 was a success, and they will continue in 2025. Thank you to our industry partners for your support and involvement in this success!

Member Engagement Efforts

In response to member feedback, Holstein Canada added a new National Show in 2024: The Westerner Dairy Showcase in Red Deer, Alberta. As one of the most significant dairy cattle events in Western Canada, the Westerner Show is known for drawing exhibitors from across the four western provinces, making it a natural fit for national status. This addition to the Holstein Canada National Show lineup provides a valuable platform for breeders and continues to build momentum for Holstein excellence across Canada.

Supporting and fostering the next generation is an essential focus at Holstein Canada. In addition to our Young Leaders Program, along with industry partners, we supported one of our Young Leaders Advisory Committee members to attend



the Future Leaders Development Program. The program, launched over a decade ago, has developed nearly 200 future industry leaders, many now serving on key Boards like EastGen, Lactanet and more. It provides governance training and prepares individuals for Board roles while fostering national networking.

Holstein Canada partnered to cohost Lactanet's 2024 Dairy Cattle Industry Forum. The program featured experts from North America and beyond presenting the value of cow longevity, culling strategies, genetic improvements, methane reduction, and consumer expectations. A producer panel of Holstein Canada members with strong genetic programs shared insights into how they manage their businesses to achieve success.

100 Years of Classification

Holstein Canada is marking 100 years of Classification. This service has been at the heart of improving genetics and supporting producer success for a century. We are planning a series of celebrations throughout 2025 to reflect on this incredible legacy and highlight its importance for the future of the global dairy industry.

Innovation

Holstein Canada and the Canadian Angus Association announced a joint initiative to understand the value of using camera and computer vision tools to evaluate traits in Dairy and Angus purebred cattle, as well as Angus/Holstein crossbred cattle. This multi-year project addresses the need to evolve efficient data collection processes and uses the expertise of both Holstein Canada and Canadian Angus. The four-year project is supported in part by Agriculture and Agri-Food Canada through the Sustainable Canadian Agricultural Partnership, under the AgriScience Program.

Holstein Canada is supporting the University of Guelph, Lactanet, and SEMEX in developing an improved genetic abnormality reporting system. This initiative aims to provide the Canadian dairy industry with a more effective way to document and track disease and genetic abnormality incidences, which will lead to faster identification and remediation.

Holstein Canada and Holstein Australia came to a renewed agreement. Under the new agreement, Holstein Canada will continue to support Classification efforts in Australia with tools and software. To that end, Holstein Canada's International Classification platform "ConneXXion International" was launched in May. Holstein Australia's field team now has access to more modern tools and software for its on-farm visits.

Looking Forward

As we look forward to 2025, we are inspired and excited to continue delivering value to our members through projects shaped by a new Strategic Plan. We eagerly anticipate the connections we will forge along the way and deeply appreciate your unwavering support.

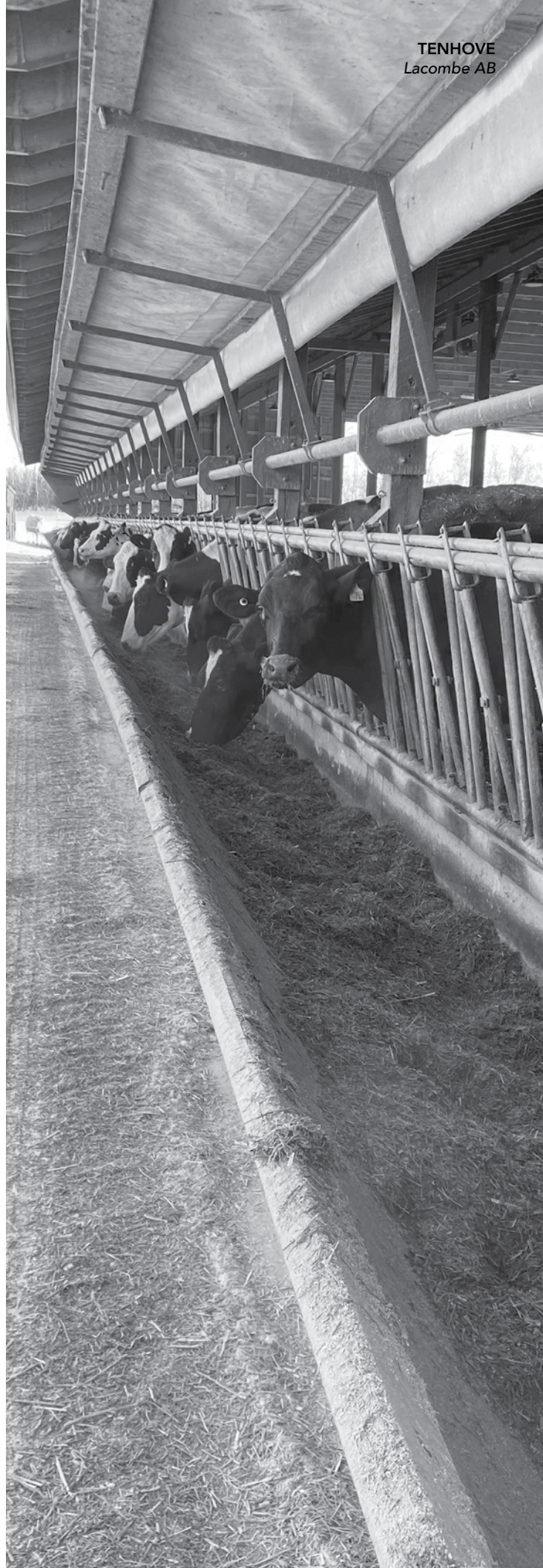
Thank you,



Linda Markle
Director, Customer
and Member Support



Chris Bartels
Senior Director, Innovation &
Business Operations



MEMBER AWARDS & RECOGNITIONS

Century of Holstein

Celebrating 100 years of continuous membership in Holstein Canada

1925 – 2024 Descendants of Donat Giard
Simon Giard
Prefix: GIARD
Saint-Simon-de-Bagot, QC

Scholarship Awards

Supporting training and development of young Holstein enthusiasts

EAST

Brayden Carruthers, Hamilton, PEI
Dalhousie University

QUEBEC

Marina Faucher, Sainte-Marie, QC
Institut de technologie agroalimentaire du Québec
(Campus La Pocatière)

Magalie Schaller, Saint-Ignace-de-Stanbridge, QC
Institut de technologie agroalimentaire du Québec
(Campus Saint-Hyacinthe)

ONTARIO

Reegan Charlton, Brantford, ON
University of Saskatchewan

Ethan Ringelberg, Troy, ON
Conestoga College

WEST

Danielle Groenendijk, Chemainus, BC
Western College of Veterinary Medicine
(University of Saskatchewan)

All-Canadian Contest

See Holstein Canada website for full results:
www.holstein.ca

Classification 100 Years

For a list of all breeders who have bred over 100 Excellent under the same prefix and scored in Canada – scan the QR Code.



Master Breeder Awards

Recognizing breeding excellence

1 st	AVELINE	Drayton, ON
1 st	BELFAU	Rivière-Ouelle, QC
3 rd	CHERRY CREST	Martintown, ON
1 st	DRAHOKA	Kamouraska, QC
1 st	DUTCHDALE	Lucknow, ON
2 nd	ERBCREST	Milverton, ON
1 st	FLEOLE	Saint-Casimir, QC
2 nd	FRUEH	Duncan, BC
1 st	GAELANDE	Plessisville, QC
4 th	HEATHER HOLME	Goderich, ON
2 nd	KENTVILLE	Melancthon, ON
2 nd	LACTOMONT	Saint-Louis-de-Gonzague, QC
1 st	MEBECK	Saint-Pie, QC
2 nd	MIL-EN-ROY	White City, SK
1 st	OCONNORS	Ajax, ON
4 th	QUALITY	Vaughan, ON
2 nd	QUECY	Saint-Isidore-de-Dorchester, QC
2 nd	ROTALY	Sainte-Hélène-de-Kamouraska, QC
2 nd	SARTIGAN	Saint-Georges, QC

2024 NON-BINDING RESOLUTIONS: ACTION UPDATES

Web Reports

1. Classification (Submitted by NB Branch)

- Whereas many producers are beginning to own multiple breeds;
- Whereas Holstein Canada is an all breed service provider, with one of those services being Classification;
- Whereas being a Classification service provider, Holstein Canada has all breeds Classification data in their database;

Be it resolved, that Holstein Canada create a drop bar menu for breed selection on their “TOP CLASSIFYING COWS”

Action Plan: This resolution was thoroughly analyzed but not implemented. Challenges arising from the use of different herdbook systems for non-Holstein breeds complicate the project and limit data availability, rendering the reports ineffective.

2. GPA for Holstein Male (Submitted by PEI Branch)

- Whereas Holstein Canada requires a genomic evaluation on a male animal in order to have it registered with Holstein Canada;
- Whereas when you check with Holstein Canada’s animal inquiry page only the Parent Average LPI is recorded;
- Whereas many breeders use a non AI registered bull in their breeding program;

Be it resolved, that Holstein Canada report the Genomic Parent Average (GPA) on the animal inquiry page for all male animals that are registered with Holstein Canada.

Action Plan: Holstein Canada, in accordance with Lactanet’s policies, distributes unofficial Genomic Parent Averages (GPAs) for Male animals to their owners in Holstein Canada WebAccounts until the bull is 18 months of age. At any time, breeders, and AI units can pay associated fees with Lactanet to have the GPAs officially published, and in turn, shared on animal inquiry pages. Once a non-AI bull reaches 36 months of age, its GPAs automatically become publicly available at no fee.

Awards

3. Master Breeder (Submitted by NB Branch)

- Whereas the Holstein Canada Master Breeder program is to recognize the top breeders of the Holstein Canada membership;
- Whereas now there are categories dividing the recipients of the Master Breeders awarded into registration categories;

Be it resolved, that Holstein Canada dissolve the Master Breeder categories and recognize the breeders with the highest points per registration for the Master Breeder award.

Motion Defeated

4. Longtime Production Award (Submitted by Holstein Quebec)

- Whereas we wish to continually improve the lifespan of our Holstein cows;
- Whereas this measure would contribute to the promotion and enhancement of sustainability;
- Whereas it is in the interest of our industry to improve its carbon footprint and our association can contribute in its own way;

Be it resolved, to ask Holstein Canada to recognize cows that have produced more than 120,000 kg of milk in their lifetime, and to do so for each additional 10,000 kg (120,000 kg, 130,000 kg, 140,000 kg, etc.).

Action Plan: This resolution has been submitted to the Awards Committee for review as part of ongoing efforts to modernize our recognition programs.

Services

5. Transfer of Ownership (Submitted by Holstein Québec)

- Whereas many animals are classified without being transferred to new owners in Holstein Canada records;
- Whereas many producers are raising fewer heifers and, as a result, purchasing more and more animals;
- Whereas without duly completed transfers of ownership, awards will not be attributed to the right people, creating confusion and increasing the workload when issuing these awards;
- Whereas the traceability of these animals is deficient at Holstein Canada;
- Whereas Holstein Canada already has field personnel available to assist producers with this task;
- Whereas the Holstein Association of Canada Bylaw 11.18 "Transfer of Ownership - Duty of Seller" and 11.19 "Correction of Records" have already defined the duties of sellers and the duties of the Association's Board of Directors with respect to this problem;

Be it resolved to ask Holstein Canada to require Classifiers to offer the transfer of ownership service during Classification visits and to require Classifiers to confirm ownership of Excellent cows.

Action Plan: This resolution was thoroughly reviewed, and its intent is well supported. It will be considered for future development projects.

Service Fees

6. Reclassification for 1st Lactation Cows (Submitted by Holstein Québec)

- Whereas first calvers calve at a younger age and these animals continue to grow and improve throughout lactation;
- Whereas classification rounds are more frequent and allow classifiers to observe the improvement of first-calf cows as their lactation progresses;
- Whereas breeders who contribute to classification are paying, and the data obtained is used by the industry as a whole;
- Whereas Holstein Canada's membership and service fees have increased in recent years;

Be it resolved to ask Holstein Canada that breeders pay for only one classification per first calver and that no additional fees be charged if the score goes up during the same lactation.

Motion Defeated

Shows

7. Bred & Owned Intermediate Championship (Submitted by Holstein Québec)

- Whereas judging days at the provincial and national levels are very long;
- Whereas young cows are likely to accumulate a lot of milk in their udders;
- Whereas animal welfare is important;
- Whereas the level of competition is very different between a young cow and an adult cow;

Be it resolved, to ask the Quebec Spring Show, the Dairy Supreme and Holstein Canada to hold a Bred and Owned Championship for young cows just before the Intermediate Championship at provincial and national level shows.

Action Plan: The Intermediate Championship Bred & Owned category was introduced at the 2024 Royal Agricultural Winter Fair, preceding the Intermediate Championship.

8. Dress Code (Submitted by Holstein Québec)

- Whereas it is important to present a positive image of breeding and breeders to consumers;
- Whereas judging days are long;
- Whereas the very nature of this activity makes it difficult for presenters to keep their pants clean all day;
- Whereas it is becoming increasingly difficult to obtain white clothing;
- Whereas it is the role of Holstein Canada to define these standards;
- Whereas we want to constantly innovate;

Be it resolved to ask Holstein Canada to allow the use of black pants during judging, if the show organizers so choose.

Motion Defeated

Website Link

9. Holstein Canada to Lactanet Summary Page (Submitted by Holstein Québec)

- Whereas the *CDN website is an indispensable tool for many breeders in Canada;
- Whereas this site presents the required information in a clear and concise manner;
- Whereas Holstein Canada has changed the destination of the *CDN link to the Lactanet genetic evaluation summary page;
- Whereas breeders should have the choice of quickly accessing either site by clicking on the link of their choice;
- Whereas speed and convenience of access are important to breeders;

Be it resolved to request from Holstein Canada and Lactanet that the link between the Holstein Canada site and the *CDN genetic evaluation summary page be restored and that modifications be made to the Lactanet portal to improve ease of use, simplicity, and clarity.

Action Plan: Lactanet has actively invested in enhancing its web tools, including the development of the new Lactanetgen.ca website, which replaces the previous Lactanet platform. Lactanetgen.ca was designed to replicate CDN's functionality. Holstein Canada updated its redirect links to the new website in October 2024. The CDN website has been discontinued as of March 3, 2025.

Data Exchange

10. Tag Activation / Birth Reporting to Attestra (Submitted by Holstein Québec)

- Whereas Holstein breeders must apply to Holstein Canada for Registration as soon as possible after the birth of a calf;
- Whereas elsewhere in the country, Holstein Canada is responsible for the distribution of tags and related declarations and obligations;
- Whereas when registering a calf with Holstein Canada, information provided by producers is sufficient to simultaneously complete the birth declaration with Attestra;
- Whereas it is in everyone's best interest to avoid duplication and reduce the burden of forms to be filled out by agricultural producers

Be it resolved to ask Holstein Canada and Attestra to work together so that the mandatory birth declaration to Attestra is done automatically when a calf is registered with Holstein Canada.

Action Plan: A process has been in place for some time to facilitate the exchange of required data. However, this resolution prompted further investigation into failures and exceptions, which we are actively working to resolve.

Progress Report

11. The Crampy Project (Submitted by Holstein Québec)

- Whereas we are observing many symptoms of crampiness in cows bred from good Holstein sires;
- Whereas the financial losses caused by the premature culling of these cows are considerable;
- Whereas cows affected to a lesser degree have reduced production, which has a negative impact on their well-being and the profitability of our businesses;
- Whereas breeding costs are constantly increasing;
- Whereas this syndrome has been known for over 60 years (Canadian Journal of Comparative Medicine, June 1956, "Une affection spasmodique des bovins", by J.-G. Lafortune);
- Whereas inbreeding is on the rise and a genetic cause is conceivable;
- Whereas breeders have voluntarily contributed to the study;
- Whereas Lactanet should have completed the data collection phase begun in 2021 aimed at understanding the prevalence of this syndrome and developing new tools and strategies to reduce the expression of this syndrome that is too costly for breeders;

Be it resolved to ask Lactanet, Holstein Canada and the Dairy Farmers of Canada (DFC) to publish a progress report.

Action Plan: The University of Guelph and Lactanet have developed and distributed updates on the crampy project

through various channels, including Lactanet's Open Industry Sessions, web articles, Holstein Canada's INFOHolstein Magazine, and staff education sessions.

Client Records

12. Update of Owners and Contact Information (Submitted by Holstein Québec)

- Whereas the list of breeders eligible for the "Veteran Member" award sent to club secretaries for validation often contains erroneous information;
- Whereas there are often deceased persons on this list, which can cause embarrassment to the person who must contact the member to validate the information;
- Whereas the procedure for removing a former owner requires precise information concerning the date of withdrawal and the reason, which is not always easy to obtain, as producers are often difficult to reach;
- Whereas Holstein Canada currently has the necessary staff to update this information with breeders;

Be it resolved to request from Holstein Canada that each year an update of owners and contacts be made during the classifiers' regular visits, and that this information be shared with club secretaries.

Action Plan: This has been identified as a project, it will lead to improved methods for addressing outdated contact information.

Genotyping

13. International Recognition (Submitted by Holstein Québec)

- Whereas requests for basic genomic tests now include parentage verification;
- Whereas SNP parentage tests are available, reliable and inexpensive;
- Whereas microsatellite parentage verification tests are expensive and have longer turnaround times;

Be it resolved that Holstein Canada be asked to lobby the appropriate authorities to have SNP parentage verification tests recognized as an official international standard, so that breeders do not have to pay twice for the same service.

Action Plan: This initiative is actively being worked on.

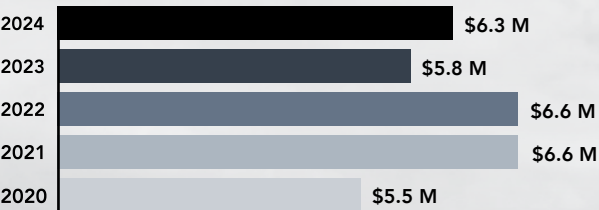
2024 FINANCIAL HIGHLIGHTS AT A GLANCE

Activity Numbers By Province

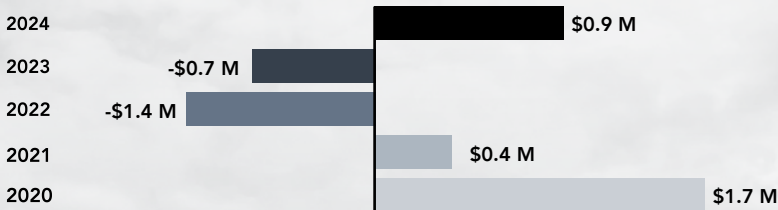
PROVINCE	MEMBERSHIPS		REGISTRATIONS		CLASSIFICATIONS		TRANSFERS		GENOMIC TESTS	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
British Columbia	301	313	18,201	19,447	13,812	13,864	752	846	453	508
Alberta	406	405	22,886	24,830	15,761	16,519	2,307	1,108	3,708	3,194
Saskatchewan	106	111	8,661	8,489	5,353	6,577	468	441	950	991
Manitoba	193	203	10,252	11,738	5,960	6,933	480	346	717	625
Ontario	3,145	3,233	94,688	99,842	80,936	76,682	9,632	7,477	5,846	6,840
Quebec	3,513	3,643	92,387	93,389	98,807	102,804	12,699	12,284	4,705	5,365
New Brunswick	148	148	4,841	4,430	4,158	3,615	454	489	399	167
Prince Edward Island	137	147	4,502	4,631	3,877	3,261	336	494	145	178
Nova Scotia	156	165	5,000	4,881	5,951	5,475	520	457	1,117	727
Newfoundland	16	14	1,731	1,138	885	693	107	45	63	42
International	3	3	0	0	0	0	242	148	0	0
TOTAL	8,124	8,385	263,149	272,815	235,500	236,423	27,997	24,135	18,103	18,637



Reserve Fund: \$6.3 M



Surplus* / (Deficit): \$0.9 M



*2020/2021 includes wage subsidy and one-time costs
All years include unrealized gain/loss on the reserve fund investment portfolio



CLASSIFICATION ACTIVITY

Holstein Animals

2024	218,577
2023	220,196

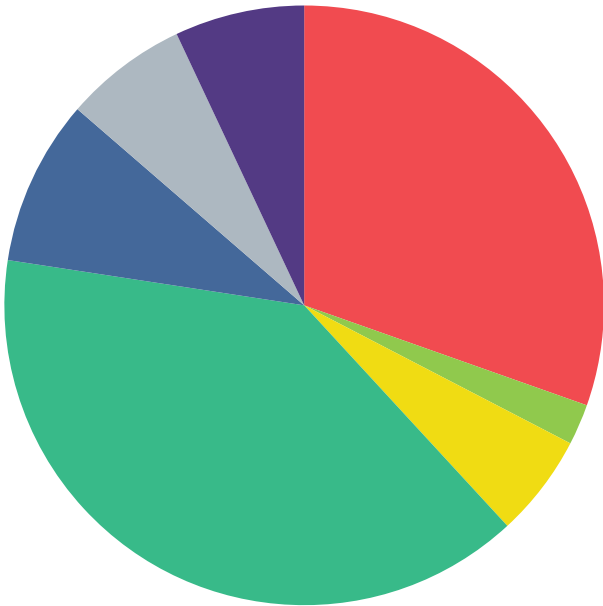
Other Breed Animals

2024	16,923
2023	16,227

Total Animals

2024	235,500
2023	236,423

2024 REVENUE FROM OPERATIONS



Registrations (30%)
Transfers (2%)
Genomic/Parentage Tests (6%)
Classifications (39%)
Animal Care Assessments (9%)
Membership Fees (7%)
Other Income (7%)



2024 FINANCIAL REPORT

AVELINE
Drayton, ON

Total Revenue from Operations Year over Year Increased by 9.7%

Revenue growth was driven by a second year of strategic price increases, including a change in our National Membership rate from \$35 to \$130. This decision was driven by a desire to have our service prices support service expenses while membership is designed to cover the overall governance and programs for the Association. This breed representation is available to all members regardless of what services are being utilized, with equal representation irrespective of the size or location of the producer.

Registration revenue was up 4.1% from the prior year due to price increases, with an expected decrease in activity of 3.5%. Transfers revenue was up 4.7%, while activity had a jump of 16% related to a few full-herd transfers. Genomic testing revenue and activity both decreased slightly from 2023.

Classification dollars were 13.9% higher than the year before, with a less than 0.5% difference in the number of animals but a 5.1% increase in the number of visits. Animal Care Assessment revenue was flat from 2023. A renewed Dairy Farmers of Canada contract will have Holstein Canada continuing proAction® for another two guaranteed years.

Overall, there was a 9.7% increase in total revenue year over year.

Expense Management

In 2024, expenses increased by 0.4% compared to 2023, primarily due to several factors: Reduced dependence on external contract services following the completion of the ConneXXion application in early 2024; a 1% increase in travel costs resulting from turnover within the On-Farm Experience team and an ongoing effort to visit more producers throughout the year; and translation expenses remained nearly unchanged from 2023 to 2024.

Overall, expenses were 4.8% under budget, mainly due to unfilled positions and associated costs. For 2025, we have allocated a budget for an increase in translation and travel expenses as we strive to enhance our member engagement across the country.



2024 FINANCIAL REPORT

SARTIGAN
Saint-Georges, QC

Your Holstein Team

By the end of 2024, our team consisted of 80 employees, down from 84 at the end of 2023. We had anticipated expanding our workforce in the 2024 budget; however, due to an unusual year marked by employee turnover and recruitment challenges, we were unable to fill those roles. For 2025, open positions are pending across all departments following a strategic review of roles, responsibilities, and team requirements.

Cash Position

The combined increase in prices for 2024 and the effective use of our rotating line of credit allowed us to maintain our cash levels without drawing from the Reserves. The Canada Post strike at the end of 2024 impacted our collections, leading to higher-than-expected balances for receivables and payables. However, we are returning to our pre-strike collection and payment rates.

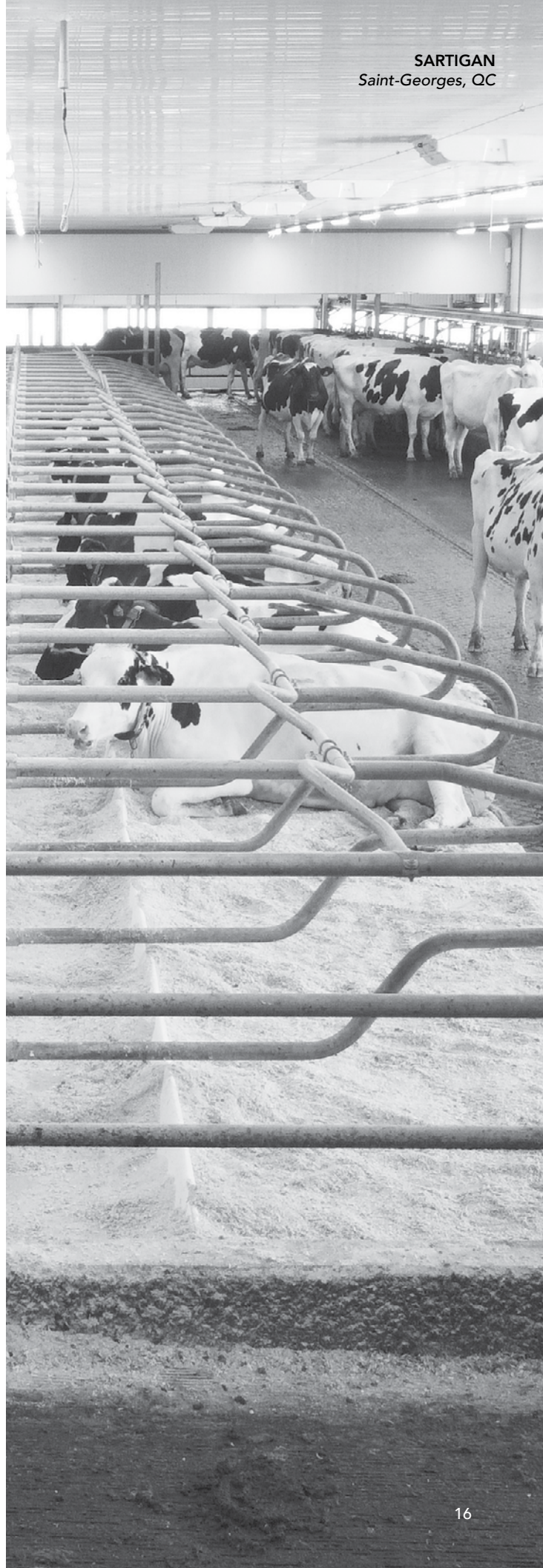
Reserve Fund

Holstein Canada has established a Reserve Fund to support ongoing operations in the event of a business interruption. A minimum balance of \$4 million is set aside exclusively for emergency purposes, while any excess funds can be utilized for future projects. Investments are managed according to the Investment Policy, which is periodically reviewed by the Audit & Finance Committee and the Board of Directors. RBC Dominion Securities manages the portfolio and reported a return of 8.03%, resulting in a market value increase of \$469,000. As of year-end, the portfolio stands at \$6.3 million, up from \$5.8 million at the end of 2023.

Cordially,



Kathryn Chapman,
Financial Controller



Financial Statements of

HOLSTEIN ASSOCIATION OF CANADA

And Independent Auditor's Report thereon

Year ended December 31, 2024

**KPMG LLP**

Commerce Place
21 King Street West, Suite 700
Hamilton, ON L8P 4W7
Canada
Telephone 905 523 8200
Fax 905 523 2222

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Holstein Association of Canada

Opinion

We have audited the accompanying financial statements of Holstein Association of Canada (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor's Responsibilities for the Audit of the Financial Statements**” section of our auditor's report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Page 3

- 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 Entity'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 conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants,
Hamilton, Canada
March 13, 2025

HOLSTEIN ASSOCIATION OF CANADA

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	Operating Fund	Reserve Fund	2024 Total	2023 Total
Assets				
Current assets:				
Cash and cash equivalents (note 2)	\$ 305,810	\$ 661,676	\$ 967,486	\$ 244,991
Accounts receivable (note 3)	2,298,959	—	2,298,959	1,555,830
Other receivables	116,963	—	116,963	136,168
Prepaid expenses	359,352	—	359,352	241,824
Inventory	23,761	—	23,761	21,125
	3,104,845	661,676	3,766,521	2,199,938
Investments (note 4)	—	5,642,302	5,642,302	5,826,696
Capital assets (note 5)	2,319,456	—	2,319,456	2,199,892
	\$ 5,424,301	\$ 6,303,978	\$ 11,728,279	\$ 10,226,526

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities (note 6)	\$ 2,132,939	\$ 2,500	\$ 2,135,439	\$ 1,640,548
Deferred revenue (note 7)	414,784	—	414,784	148,928
Demand facility (note 8)	545,000	—	545,000	595,000
Current portion of long-term debt (note 9)	111,195	—	111,195	157,950
	3,203,918	2,500	3,206,418	2,542,426
Long-term debt (note 9)	44,830	—	44,830	76,895
	3,248,748	2,500	3,251,248	2,619,321
Fund balances:				
Reserve (note 12)	—	6,301,478	6,301,478	5,832,620
Operating	2,175,553	—	2,175,553	1,774,585
	2,175,553	6,301,478	8,477,031	7,607,205
Commitments (note 14)				
	\$ 5,424,301	\$ 6,303,978	\$ 11,728,279	\$ 10,226,526

See accompanying notes to financial statements.

HOLSTEIN ASSOCIATION OF CANADA

Statement of Operations and Changes in Fund Balances

Year ended December 31, 2024, with comparative information for 2023

	Operating Fund	Reserve Fund	2024 Total	2023 Total
Revenue:				
Classification	\$ 5,038,980	\$ —	\$ 5,038,980	\$ 4,423,909
Registrations	3,903,075	—	3,903,075	3,749,427
DairyTrace	2,989,006	—	2,989,006	2,874,619
Animal care assessments	1,146,968	—	1,146,968	1,149,756
Other income	897,802	—	897,802	926,470
Membership fees	854,058	—	854,058	289,979
Genomic & parentage testing	710,676	—	710,676	723,810
Transfers	282,851	—	282,851	270,133
	15,823,416	—	15,823,416	14,408,103
Expenses:				
Salaries & benefits	7,225,650	—	7,225,650	7,175,400
DairyTrace cost of sales	2,562,015	—	2,562,015	2,476,662
Travel, meals & accommodations	1,621,430	—	1,621,430	1,610,939
Laboratory costs	595,595	—	595,595	491,267
Genetic evaluations & research	457,357	—	457,357	446,393
Events	438,677	—	438,677	410,613
Amortization	356,604	—	356,604	358,189
Office expenses	326,294	—	326,294	373,743
Computer hardware, software and peripherals	288,626	—	288,626	271,982
Advertising and promotion	227,076	—	227,076	304,128
Consultants, professional services	241,462	—	241,462	118,115
Honorariums and per diems	230,130	—	230,130	172,445
Facility expenses	217,308	—	217,308	225,896
Miscellaneous expenses	187,089	27,403	214,492	123,523
Translation expenses	118,025	—	118,025	123,371
Contract staff	116,411	—	116,411	471,265
Other cost of sales	101,236	—	101,236	96,976
Other staff expenses	92,713	—	92,713	130,568
	15,403,698	27,403	15,431,101	15,381,475
Excess (deficiency) of revenue over expenses before the undernoted	419,718	(27,403)	392,315	(973,372)
Other income (expense):				
Unrealized gain on investments	—	274,787	274,787	97,056
Investment income	—	212,563	212,563	206,522
Loss on disposal of capital assets	(18,750)	—	(18,750)	(1,089)
Realized gain on sale of investments	—	8,911	8,911	7,231
	(18,750)	496,261	477,511	309,720
Excess (deficiency) of revenue over expenses	400,968	468,858	869,826	(663,652)
Fund balance, beginning of year	1,774,585	5,832,620	7,607,205	8,270,857
Fund balance, end of year	\$ 2,175,553	\$ 6,301,478	\$ 8,477,031	\$ 7,607,205

See accompanying notes to financial statements.

HOLSTEIN ASSOCIATION OF CANADA

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ 869,826	\$ (663,652)
Items not involving cash:		
Amortization	356,604	358,189
Loss on disposal of capital assets	18,750	1,089
Unrealized gain on investments	(274,787)	(97,056)
Realized gain on sale of investments	(8,911)	(7,231)
Change in non-cash operating working capital:		
Accounts receivable	(743,129)	82,091
Other receivables	19,205	(54,700)
Prepaid expenses	(117,528)	(29,703)
Inventory	(2,636)	5,181
Accounts payable and accrued liabilities	494,891	(506,456)
Deferred revenue	265,856	(36,223)
	878,141	(948,471)
Investing activities:		
Purchase of capital assets	(518,718)	(237,605)
Proceeds on disposal of capital assets	23,800	21,576
Purchase of investments	(639,620)	(416,330)
Proceeds on sale of investments	1,107,712	1,116,973
Change in restricted cash	(653,252)	120,552
	(680,078)	605,166
Financing activities:		
Proceeds from debt	103,934	250,000
Repayment of long-term debt	(182,754)	(173,721)
Revolving demand facility loan	(50,000)	450,000
	(128,820)	526,279
Increase in cash and cash equivalents	69,243	182,974
Cash and cash equivalents, beginning of year	236,567	53,593
Cash and cash equivalents, end of year	\$ 305,810	\$ 236,567

See accompanying notes to financial statements.

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements

Year ended December 31, 2024

The Holstein Association of Canada (the “Association”) is a national organization authorized to register Holstein cattle in Canada. The basic purpose of the Association is to improve the breed of Holstein cattle. To this end, it maintains a Herd Book and provides many services to its members to assist them in evaluating, selecting and improving their herds. The Association is a non-profit organization incorporated under the Animal Pedigree Act and accordingly is not taxable by virtue of Section 149 (1) (e) of the Income Tax Act.

1. Significant accounting policies:

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association’s significant accounting policies are as follows:

(a) Fund accounting:

The Association follows the restricted fund method of accounting for revenues and expenses.

Revenues and expenses related to service delivery and administrative activities are reported in the Operating Fund.

The Reserve Fund reports assets, liabilities, revenues and expenses which are internally restricted to provide for future contingencies and to fund specific projects.

(b) Revenue recognition:

The Association recognizes revenue as services are rendered.

Registration, classification, dairytrace, animal care assessments, genomic & parentage testing and transfer revenues are recognized in the year the service is provided.

Membership fee revenue represents annual membership fees paid by the Association’s members. The Association recognizes membership fee proportionally over the term of the membership. Amounts received in advance of the expiry of the membership period is treated as deferred revenue.

Investment income includes interest and dividends and is recorded when earned.

(c) Cash and cash equivalents:

The Association considers all highly liquid, high interest investment and savings accounts to be cash equivalents.

(d) Inventory:

Inventory is primarily comprised of supplies and is recorded at the lower of cost and replacement cost.

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(e) Capital assets:

The Association's capital assets are recorded at cost. Amortization is provided as follows:

Asset	Method	Rate
Building	Straight-line	30 years
Building improvements	Straight-line	10 years
Office furniture and equipment	Straight-line	5 years
Computer hardware and software	Straight-line	3-4 years
Automobiles	Declining-balance	30%

(f) Impairment of long-lived assets:

Management reviews the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment determined by a comparison of the estimated undiscounted future operating cash flows to be generated by the asset with its net carrying value is written off at the time of the impairment.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of financial statements in accordance 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. Significant items subject to such estimates and assumptions include the fair value of investments and carrying amount of capital assets. Actual results could differ from those estimates and may have impact on future periods.

(i) Foreign currency translation:

At the transaction date, each asset, liability, revenue or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in income in the current year.

(j) Development costs:

Research and development expenditures on internally generated intangible assets are expensed as incurred.

(k) Collections:

The Association's collections are capitalized in the statement of financial position but are not subject to amortization. Contributions are reported as revenue and an increase to capital assets at their fair value. When fair value cannot be determined, the contribution is recognized at a nominal value. The Association's collection consists of a Fafard Sculpture.

(l) Inter fund transfers:

Inter fund transfers represent amounts used to fund projects and initiatives.

2. Cash and cash equivalents:

The Association's bank accounts are held at one chartered bank. The bank accounts earn interest at a nominal rate. Included within cash and cash equivalents is \$661,676 (2023 - \$8,424) in internally restricted funds held in high-interest savings account earning interest at rates of 0.45% - 2.80% (2023 - 0.45%).

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Accounts receivable:

Accounts receivable represents trade receivables for membership fees, services and products and are net of an impairment allowance of \$20,048 (2023 - \$22,546).

4. Investments:

Investments consist of the following:

	2024		2023	
	Cost	Fair value	Cost	Fair value
Guaranteed investment certificates	\$ 3,200,000	\$ 3,246,645	\$ 3,600,000	\$ 3,649,816
Bonds and debentures:				
Canadian provincial and public authorities	202,656	202,464	300,606	297,068
Canadian corporate bonds	146,659	145,394	146,659	138,269
Equities:				
Preferred shares	55,340	51,520	55,340	46,111
Common shares	1,098,096	1,922,902	1,077,898	1,653,915
Foreign securities	55,703	73,377	37,133	41,517
	\$ 4,758,454	\$ 5,642,302	\$ 5,217,636	\$ 5,826,696

The guaranteed investment certificates earn interest at a rate ranging between 1.39% - 5.45% (2023 - 1.39% - 5.45%). The bonds have interest rates between 1.65% - 4.60% (2023 - 1.65% - 4.60%). These investments will mature within a period of 1 - 5 years and are readily converted into cash.

Investments are internally restricted in relation to the reserve fund (note 12).

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2024

5. Capital assets:

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 328,851	\$ –	\$ 328,851	\$ 328,851
Building	3,008,125	2,306,521	701,604	801,875
Building improvements	395,125	167,046	228,079	149,031
Fafard sculpture	179,686	–	179,686	179,686
Office furniture and equipment	473,202	423,684	49,518	59,381
Computer hardware and software	857,291	711,691	145,600	157,581
Automobiles	1,284,428	598,310	686,118	523,487
	\$ 6,526,708	\$ 4,207,252	\$ 2,319,456	\$ 2,199,892

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$57,709 (2023 - \$56,995), which includes amounts payable for federal and provincial sales taxes.

7. Deferred revenue:

	2024	2023
Membership fees	\$ 239,648	\$ 66,516
DairyTrace	134,761	72,383
Other	40,375	10,029
	\$ 414,784	\$ 148,928

8. Demand facility:

The Association has a revolving demand facility totaling \$825,000 which bears interest at the bank's prime rate plus 0.30% per annum. At year end, \$545,000 of the facility was utilized (2023 - \$595,000). These facilities are secured by a general security agreement constituting a first ranking security interest in all personal property of the Association. The Association has a credit card facility with US Bank Canada totaling approximately \$400,000. At year end, approximately \$106,767 of the facility was utilized (2023 - \$92,978) which is included in accounts payable and accrued liabilities on the statement of financial position.

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Long-term debt:

	2024	2023
Revolving term loan, fully repaid during the year	\$ —	\$ 7,787
Revolving term loan, fully repaid during the year	—	26,010
Revolving term loan, repayable in monthly installments of \$11,252 including interest calculated at a rate of 7.52% per annum, maturing July 2025, secured by a general security agreement.	76,909	201,048
Vehicle financing loan, repayable in monthly installments of \$1,534 including interest calculated at a rate of 3.99% per annum, maturing March 2027, secured by a general security agreement.	39,558	—
Vehicle financing loan, repayable in monthly installments of \$1,534 including interest calculated at a rate of 3.99% per annum, maturing March 2027, secured by a general security agreement.	39,558	—
	156,025	234,845
Current portion of long-term debt	(111,195)	(157,950)
Long-term portion of debt	\$ 44,830	\$ 76,895

The Association has a \$350,000 revolving term loan credit facility and \$350,000 revolving lease line of credit with the Royal Bank of Canada. The total combined borrowings under these two facilities may not exceed \$350,000 at any given time. At year end, approximately \$76,909 (2023 - \$234,845) of the term loan facility was utilized, with no drawings on the lease line of credit (2023 - \$nil).

Under the terms of the debt agreements, the aggregate amount of principal repayments required in the next three years are as follows:

2025	\$ 111,195
2026	34,283
2027	10,547
	\$ 156,025

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2024

10. Pension plan:

The Association maintains a defined contribution pension plan for all employees whereby it matches employee contributions up to a specific percentage of the employee's earnings, subject to certain limits determined by the date the employee joined the plan. Total employee contributions to the pension plan for the year were \$175,130 (2023 - \$188,450).

11. Financial instruments:

(a) Credit risk:

Financial instruments potentially exposed to credit risk include cash, investments and accounts receivable. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed on demand and are maintained with financial institutions of reputable credit and therefore bear minimal risk. Investments are not significantly concentrated and are primarily invested in high grade investments. Management considers its exposure to credit risk over cash to be remote as the Association holds cash deposits at one major Canadian bank. Receivables are due from a large membership and customer base, which is geographically dispersed. The Association evaluates its members' and customers' financial condition and limits the amount of credit extended when deemed necessary. The Association utilizes an allowance for doubtful accounts to record potential credit losses associated with its trade receivables and credit losses to date have been within management's expectations.

(b) Liquidity risk:

Liquidity risk is the risk the Association will not be able to meet its financial obligations as they come due. The Association has taken steps to ensure that it will have sufficient working capital available to meet its obligations by maintaining sufficient cash levels and investing in short-term, high-grade investments.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to changes in interest rates related to its investments in marketable securities. The Association's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return.

The Association mitigates interest rate risk on investments by diversifying the durations of the guaranteed investment certificates and bond investments that are held at a given time and by investing in certain vehicles backed by a chartered bank.

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2024

11. Financial instruments (continued):

(d) Currency risk:

Currency risk is the risk that the fair value or future cash flows of certain foreign denominated financial instruments within the investment portfolio will fluctuate because of changes in foreign exchange rates. The Association considers this risk to be acceptable given their limited exposure and therefore does not hedge its foreign exchange rate risks. Less than 2% of the Association's portfolio is subject to currency risk.

(e) Market risk:

Market risk is the risk to which the return on the investment portfolios exposed and stems from fluctuation in rates and the degree of volatility of these rates. Accordingly, a change in market rates will affect the fair value of these investments.

There have not been any changes in the risks identified above from the prior year.

12. Reserve fund:

The Association has a reserve fund established to address for future contingencies and to fund specific projects. During the year, there were no transfers from the reserve fund to the operating fund (2023 - \$999,999).

13. Transactions with provincial branches:

The Association is related to its provincial branches as the purpose of the Association and the branches are integrated so that they have common or complementary objectives. In addition, there are provisions in the Association's charter that prevent any changes in the charter of the branches without the Association's consent. As a result, the branches receive certain membership rights and privileges. The Association does not have the right to appoint the majority of the voting members of a branch's board of directors or to exercise control over financing and investing activities but may have the ability to influence parts of the branch's operations. The branches are non-profit organizations, some of which are unincorporated and others that are incorporated without share capital under the laws of the province in which it resides.

Each member of the Association is charged an annual membership fee and a levy that is invoiced and collected by the Association and remitted to the provincial branches pursuant to the by-laws of the Association. The Association also executes certain administrative activities such as making payments on the branch's behalf which are subsequently reimbursed. At year end, \$170,543 (2023 - \$78,455) is included in accounts payable and accrued liabilities relating to these amounts. At year end, \$23,910 (2023 - \$22,811) is included in accounts receivable relating to these amounts.

HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2024

14. Commitments:

The Association is committed to paying annual service fees for genetic evaluation activities carried out by Lactanet (formerly known as Canadian Dairy Network), pursuant to an agreement between Lactanet, Canadian Artificial Insemination Centers, Canadian Milk Recording Agencies and Canadian Breed Associations. The estimated cost to the Association for fiscal 2025 is \$396,842, plus \$75,000 for dairy research as part of the DairyGen Council.

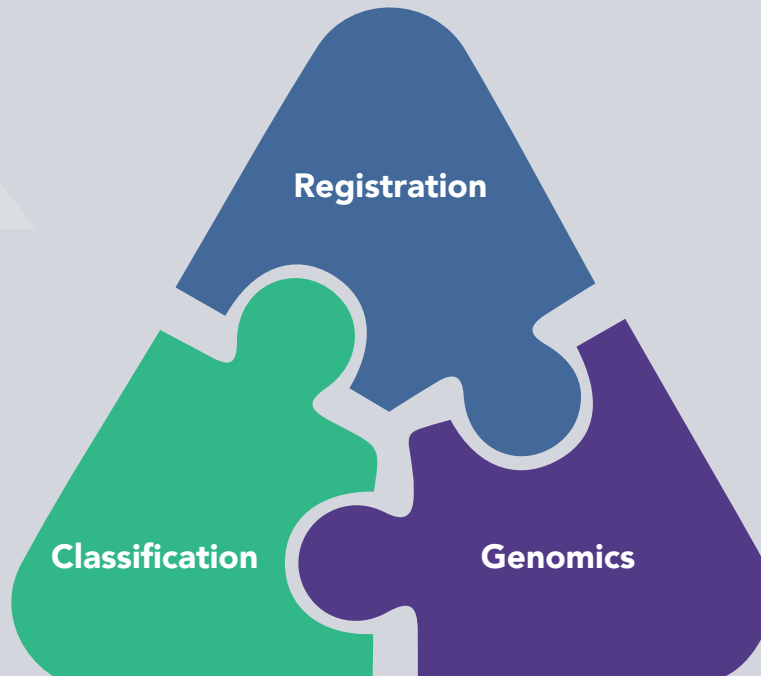
NOTES

NOTES

NOTES

HOLSTEIN CANADA

A proactive industry engaging dairy producers
while promoting profitable, healthy herds



Registration

Establishes a solid foundation by providing accurate pedigree records, enabling informed breeding decisions.



Classification

Identifies strengths and areas for improvement, helping to make better mating choices and promote longevity.



Genomic Testing

Offers data-driven insights to accelerate genetic advancements and improve herd performance.

These powerful tools enable you to confidently make smarter decisions, optimize herd efficiency, and maximize profitability.

For for information contact Customer Service at customerserviceholstein.ca or call 1 855 756-8300.



zoetis
CLARIFIDE
AT HOLSTEIN CANADA

www.holstein.ca