

Annual Report 2025



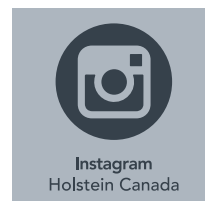
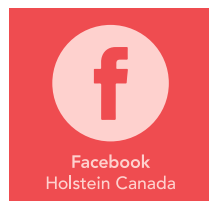


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Annual General Meeting of the Association Agenda

Saturday, April 18, 2026 | 8:00 am – 12pm
Breakfast: 6:30 am to 8:00 am



1. Welcome Message
2. Call to Order
3. National Anthem
4. Moment of Silence
5. Introductions of Officials and Guests
6. Approval of the Meeting Agenda
7. Minutes of 2025 Annual General Meeting of Members
8. President's Address
9. Chief Executive Officer's Report
10. Audit, Finance and Risk Committee Report
11. Appointment of Audit Firm
12. 2025 Financial Report
13. Presentation of the 2026 Budget
14. Committee Reports
15. Messages from Industry Partners
16. Proposed By-Law Amendments
17. 2026 Member Resolutions
18. Members' Input Session
19. Presentation of Awards
20. Invitation to the 2027 National Holstein Convention in Ontario
21. Closing Remarks
22. Adjournment

Followed by the 2025 Master Breeder Gala (6:00 p.m. – doors open at 5:00 p.m.)



President's Message

The only constant is change. I think this popular saying was coined for the Canadian dairy industry.

No producer manages their herd or farm the way they did ten years ago. I have seen this firsthand during my visits across the country. The wealth of data collected on our magnificent Holstein cows (which we love so much!) is also eloquent proof of this.

In keeping with the example set by our members, the Board of Directors of YOUR Association has made change the guiding principle of its discussions and decisions for 2025-2026. Change – and our commitment to take action.

When done for the right reasons and well planned, change is not only possible, it is necessary. To this end, the Board has developed a 2026-2028 Strategic Plan that will serve as our roadmap for the next three years. This plan is built on the following pillars:

- Member and Producer Engagement
- Leadership and Governance
- Industry Partnerships
- Innovation and Research

Many changes have been made in recent months that will impact your businesses in 2026, including the modernization of our awards and the adjustment of our classification service to better reflect your reality on the farm.

Chief Executive Officer

The operational aspect of our Strategic Plan will be carried out by our new Chief Executive Officer, **Greg Dietrich**, and his team. Our Board of Directors took ample time to identify the leader we needed for both today's and tomorrow's industry. Thank you for your patience! We are very excited to have Greg onboard. With his roots and experience in the dairy industry, coupled with his enthusiasm and vision, he will undoubtedly guide Holstein Canada toward a bright future. In his report, on **page 7**, Greg outlines the many operational changes that are in the works, including improvements to the classification service.

Governance

At last year's Annual General Meeting in Halifax, I made a commitment on behalf of the Board to evolve our governance. Since then, we have undertaken a thorough review of our bylaws and governance policies to adapt them to the realities of our industry. This extensive work has been supported by ongoing training for our Directors. With this in mind, a range of options will be presented at the upcoming AGM in Burnaby, BC.



Financial Results

Thanks to your loyalty and our careful management, financial results for 2025 continue to be encouraging for the second consecutive year. As a service association, our main "investment" remains our team: those who support you, both on your farm and in the office. We have launched several initiatives to support the recruitment and retention of this dedicated team, and these efforts will intensify in the coming months. Under the leadership of our CEO, we will ensure that the "right people are in the right place." The Board of Directors will also ensure that the necessary financial resources are in place to support this process and enable the effective implementation of the Strategic Plan.

Teamwork

In your herd and on your farm, your success depends on the support of those around you: your colleagues, your advisors, and your family, who are often an integral part of it.

During my two years as President, I have also been fortunate to be surrounded by good people. To our Branch and Committee members, as well as my colleagues on the Board, I would like to express my gratitude for standing by me through the ups and downs, always with honesty and openness. I was impressed by how consistently our members remained at the heart of our discussions. We debated and re-debated until the best solutions emerged.

To our industry partners, thank you for your solidarity in the face of our shared challenges and for your willingness to strengthen our ties. As threats loom over our system, much envied and recognized for its efficiency, our most valuable asset remains genuine collaboration, which draws on the strengths and expertise of each and every one of us.

To the dedicated team at Holstein Canada and our special advisors, in particular Paul Larmer, I want to say how much I



have grown alongside you – I no longer approach problems in the same way. I would also like to acknowledge the remarkable commitment of Linda Markle, who twice in four years agreed to serve as interim CEO while continuing to fulfill her important responsibilities as Director of Member and Customer Support. Linda truly embodies dedication. She was effectively and rigorously supported in her work by Chris Bartels, Director of Innovation and Business Operations, whose collaboration was instrumental as interim Co-Chief Operating Officer.

Traveling across our vast country, and at times being less present even when I was at home, would not have been possible without the exceptional support of my colleagues at Lacnor Farm and, of course, my loving family. Thank you for letting me experience this unforgettable journey. I'm coming home!

To you, dear Members, I wish to express my deepest gratitude and offer my sincerest wishes for continued success. I strongly encourage you to get involved, whether at your club, or at the provincial or national level. Speaking from experience, I can tell you that your commitment will be deeply rewarding and greatly beneficial to you!

Gilles Côté

Gilles Côté
President of the Board

Board of Directors

Gilles Côté, President	Saint-Bruno, QC
Harold Sweetnam, Vice-president	Stanley, MB
Benoît Turmel, 3rd Member to the Executive	Sainte-Marie, QC
Karen Versloot	Keswick Ridge, NB
Nancy Beerwort	Martintown, ON
Mel McLean	Gananoque, ON
Kevin Harvey	Stayner, ON
Brian Slaughter	Warwick Township, ON
Sylvie Mahannah	Saint-Télesphore, QC
Nicolas Lalande	Saint-Placide, QC
Willem Vanderlinde	Lacombe, AB
Brian Hamming	Vernon, BC





Management Team Update – 2025 Highlights

Reflecting on 2025, the Management Team is proud of the progress and accomplishments achieved across the organization. Following receipt of the Board of Directors' four strategic pillars, the team worked collaboratively to develop a supporting three-year strategic plan, assigning projects and initiatives aligned to the Board's vision.

The appointment of Greg Dietrich as Chief Executive Officer provided an opportunity for him to continue final refinements to the strategic plan, ensuring clear ownership and alignment with his vision for the organization.

Throughout 2025, activities and investments were proactively aligned to the four pillars. A defining milestone of the year was the celebration of 100 years of Classification, recognized through special publications, videos, apparel, and breeder acknowledgements that highlighted the enduring value of this cornerstone service.

Member and Producer Engagement

Efforts in 2025 focused on strengthening connections with members and ensuring services remain relevant and valuable. Quarterly branch meetings were reintroduced, including an in-person session held alongside the Holstein Canada Board of Directors. Organizational presence at Branch Annual General Meetings increased, with coordinated representation from directors, executive, management, and field service teams.

Service delivery enhancements included continued evolution of the Classification program, highlighted by the implementation of a regionalized work schedule to improve efficiency and enable more tailored service delivery like our 2-month service interval for large herds. Recognition initiatives advanced with the continued presentation of the Homebred Excellent Award and the development of new production award pathways reflecting extended lactations and modern production systems.

Leadership and Governance

Governance and organizational effectiveness were strengthened through continued work with Somerglen Governance, including updates to board policies, handbooks, and By-Laws. In parallel, collaboration with Teal & Co supported enhancements to human resources programs, including refreshed employee competencies.

Committee restructuring was completed to improve alignment and efficiency. This included the amalgamation of Breed Advisory and Classification Advisory Committees into the newly formed Breed Improvement Committee, and the transition of awards oversight from committee to staff.

Industry Partnerships

Collaboration with industry partners remained a key focus in 2025. Holstein Canada continued to deliver Dairy Dynamics Workshops alongside Lactanet and genetic supply partners, providing insights to producers on how each partner works together for the producers' benefit.

Internationally, the Classification program supported training initiatives in Colombia and Brazil, and Holstein Canada maintained active participation in the World Holstein Friesian Federation, including in-person Council meetings in Budapest, Hungary. The organization also continued to deliver services on behalf of industry partners, and to the benefit of producers across Canada including Animal Care Assessments for Dairy Farmers of Canada and DairyTrace tag sales and support.

Innovation and Research

Innovation remained a priority, highlighted by continued collaboration with the Canadian Angus Association on a large scale project using 3D imaging and artificial intelligence for animal phenotyping – we are thankful that this project is supported in part by Agriculture and Agri-Food Canada through its Sustainable Canadian Agricultural Partnership, under the AgriScience program. The transition to in house 3D printing for True Type model production improved efficiency and control.

Enhancements were also made to genomic services with the addition of Polled and Complex Vertebral Malformation (CVM) testing to the standard genomic package; expanding value for producers pursuing these traits.

Importantly, much of this progress was guided by a renewed focus on member resolutions, and we thank our membership for helping to re-ground the organization in the priorities of our members and the grassroots.

With appreciation for the continued support of our members and partners,

Linda Markle
Director, Member Services
and Operations

Chris Bartels
Director, Innovation
and Research



Chief Executive Officer's Message— Looking Ahead

It is a privilege to address the membership for the first time as Chief Executive Officer of Holstein Canada. Since stepping into this role, I have spent time meeting with members, staff, and industry partners and listening carefully to the perspectives across our industry.

As someone who has spent my life in the dairy industry and on a dairy farm, I believe it is important that the work of this organization remains closely connected to the realities of the farm. At the end of the day, the purpose of Holstein Canada is simple: to support breeders and dairy producers in building successful operations, earning a living from dairy farming, and keeping those operations strong for the next generation.

Organizations like ours exist to serve the farmer, and that mindset must guide the decisions we make and the work we prioritize.

As we look ahead, our work will continue to be guided by four key pillars: governance and leadership, industry partnerships, innovation and research, and member engagement.

Strong governance ensures we remain accountable to our members and positioned to make sound decisions for the long term. Strengthening partnerships across the dairy industry allows organizations to align their efforts and focus resources where they bring the most value to producers.

Continued investment in innovation and research ensures Canadian Holstein genetics and data remain among the best in the world. And member engagement ensures that we stay connected to the breeders and producers we serve. Looking a few years ahead, we will also see major advances in data analytics, artificial intelligence, and genomics.

These tools have the potential to give producers better information and better insight when making decisions on their farms. Our responsibility will be to ensure these developments continue to create real value for our members and strengthen the future of the Holstein breed.

The strength of our industry comes from organizations working together and aligning their efforts in support of dairy farmers. Holstein Canada has an important role to play in that collaboration. When we focus on common goals and work together effectively, the entire industry, and the farmers it serves, are stronger.

One thing I have been reminded of through this transition is that participation in organizations like Holstein Canada is



only possible because of the support systems we have at home and on our farms. Behind every breeder or volunteer who steps forward to serve the industry is a team; family members, business partners, and farm employees who help carry the day-to-day responsibilities. Their support often goes unrecognized, but it is what allows many of us to contribute beyond the farm gate. I am grateful for that support on my own farm, and I know many others in our industry share the same experience.

As we move into the year ahead, we will continue to ask a simple question when making decisions: how does this benefit the farmer? If the answer is clear, we are on the right path.

Holstein Canada has been built by generations of dedicated breeders, volunteers, and staff. I take this responsibility seriously and look forward to working together as we continue to move the organization, and the breed, forward.

Greg Dietrich
Chief Executive Officer
Holstein Canada



Committee Reports



Audit, Finance & Risk Committee

Board Members: Benoît Turmel (Chair), Willem Vanderlinde, Mel McLean, Brian Slaughter

External Members: Jim Parke, CPA, CA, C. Dir.; Catherine McCorquodale

In 2025, the Audit & Finance Committee expanded its mandate and scope to include oversight of organizational risk, becoming the Audit, Finance & Risk Committee. Catherine McCorquodale was welcomed as an external member, bringing valuable insight and expertise in risk management.

The Committee met five times during the year, focusing on the review of audited financial statements, investments, and the annual budget, and providing related recommendations to the Board of Directors. In addition, the Committee initiated work on the development of a formal risk management framework.

The organization extends its sincere thanks to the external members for their generous contribution of time, expertise, and commitment to the work of the Committee.



Breed Improvement Committee

Board: Willem Vanderlinde (Chair), Kevin Harvey, Benoît Turmel

External Members: Michael Lovich, Hugh Hunter, David Crack, Nick Bokma, Eleri Morris

The Breed Improvement Committee was formed in 2025 through the amalgamation of the Breed Advisory and Classification Advisory Committees. This restructuring ensures that breed vision and direction are supported by well-aligned breed improvement programs, including Classification.

The Committee met virtually twice in 2025 to provide input on the Classification program and traits of concern, review relevant member resolutions, and begin work on the Holstein Canada Breed Strategy.

The organization extends its sincere thanks to the external members for their generous contribution of time, expertise, and commitment to the work of the Committee.



Governance Committee

Board Members: Brian Slaughter (Chair), Harold Sweetnam, Karen Versloot, Sylvie Mahannah

External Members: Michael Barrett, Quintin Fox (Somerglen Governance)

The Governance Committee met six times throughout the year. Working alongside external consultants Michael Barrett and Quintin Fox, the Committee recommended to the Board of Directors that responsibility for risk management be incorporated back into the mandate of the Audit & Finance Committee.

In addition, the Governance Committee advanced several key governance initiatives, including the development of a Board Competency Framework, a Board Member Evaluation model, and a Board Policy Manual, and conducted a comprehensive review of Holstein Canada's bylaws. Some of this work remains ongoing.

The organization extends its sincere thanks to the external members for their generous contribution of time, expertise, and commitment to the work of the Committee.



Show and Judging Committee

Board : Nancy Beerwort (Chair), Brian Hamming, Nicolas Lalande

External Members : Scott Brethet, Pierre Boulet, Dan Doner, Erica Enright, Jon Raymond Dykstra, Connie McLellan, Bryce Fisher

The Show and Judging Committee met twice during 2025. They provided input on the All Canadian contest, the organization of the 2026 National Judging Conference, the Royal Winter Fair judges, awards and classes, as well as the show rules and regulations. One of their mandates is also to review member submitted resolutions related to shows.

The organization extends its sincere thanks to the external members for their generous contribution of time, expertise, and commitment to the work of the Committee.



Young Leaders Advisory Committee

Board: Karen Versloot, Sylvie Mahannah

External Members: Emma Prelaz (Chair), Lysanne Pelletier, Emma Van Steekenlenburg, Leah Newcombe, René Harvey, Jordan Vaandrager, Kirstan Bennett

The Young Leaders Advisory Committee met four times in 2025 and welcomed new member Jordan Vaandrager (West) mid-year. They hosted a successful Young Leaders Convention in Halifax, featuring a classroom day with sessions on forage and farm business management, advanced reproduction strategies, and a Master Breeder Q&A panel. A farm tour day followed, visiting three progressive dairy operations, with an on-farm Classification demonstration highlighted as a key learning opportunity.

Committee meetings focused on reviewing participant feedback, making improvements for the 2026 Young Leaders Convention, and reviewing and selecting Education Award recipients. The Committee remains focused on strengthening its role with the Board while identifying opportunities to increase its impact on Holstein youth

The organization extends its sincere thanks to the external members for their generous contribution of time, expertise, and commitment to the work of the Committee.





2025 Non-Binding Resolutions: Action Update Member Resolutions

1. Communication:

Bilingualism

Co-submitted by: Québec, Prince Edward Island, Nova Scotia/Newfoundland & New Brunswick Holstein Branches

- WHEREAS Holstein Canada is a national organization in an officially bilingual country;
- WHEREAS 43% of the Association's membership is Francophone, and their preferred primary language is French;
- WHEREAS Francophone members struggle to obtain services and communication from Holstein Canada in their primary language;
- WHEREAS it would be in the best interest of the National Association and all of its members to have the best representatives on its Board of Directors and its various committees, regardless of their proficiency in a second language;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to ensure that bilingualism does not become an issue for representatives who are not proficient in a second language and that Holstein Canada be a bilingual organization that offers services and communication in both French and English.

Action Plan: Holstein Canada is committed to being a bilingual English/French organization.

2. Insurance:

Branch Insurance

Co-submitted by: Nova Scotia/Newfoundland, Prince Edward Island, New Brunswick & British Columbia Holstein Branches

- WHEREAS Directors and/or Officers of any agriculture organization should have appropriate individual and event insurance coverage;
- WHEREAS the delegates at the National Joint Branch Meeting held in February 2024 were informed that Holstein Canada's insurance coverage included all the Western and Eastern Branches;
- WHEREAS in August 2024, Holstein Canada abruptly cancelled all Director and Officer insurance for the Western and Eastern Branches and sub-committees, including Atlantic Holstein Promotions;
- WHEREAS the three Atlantic Holstein Branches have had no Director or Officer insurance coverage since August 2024;

THEREFORE BE IT RESOLVED that Holstein Canada reinstate the insurance coverage and/or present options for the Eastern and Western Branches, including sub-committees and Atlantic Holstein Promotions.

Action Plan: Monitoring. The change in insurance coverage is because Holstein Canada and our Board of Directors do not have oversight or final authority over decisions made by the Branch Boards, particularly in matters related to professional actions. As a result, our insurer has determined that our policy can no longer absorb the associated risks, and the branches were removed from the coverage to seek their own direct insurance.

We recommend that each branch obtain Directors & Officers (D&O) insurance and assess whether Professional Liability coverage is required based on their specific activities.

We will continue to monitor if there may be a future opportunity to reinstate or add the branches back to the policy. If such an opportunity arises, we will reach out to gather any necessary information at that time.

3. National Joint Branch Meetings:

Meeting Cadence

Co-submitted by: Prince Edward Island & Nova Scotia/Newfoundland Holstein Branches

- WHEREAS the provincial Branches across Canada help support and share in Holstein Canada's Vision of "A healthy Canadian dairy industry for all";
- WHEREAS the provincial Branches and Holstein Clubs are the direct point of contact for the membership;
- WHEREAS the provincial Branches, Holstein Clubs and their Directors are at the forefront of the membership;

THEREFORE BE IT RESOLVED that Holstein Canada reinstate the annual in-person National Joint Branch Meeting, cover



all expenses of sending two delegates from each provincial Branch, and hold virtual quarterly update meetings.

 **Action Plan:** Complete.

4. Provincial Branch Annual General Meetings:

HAC Board and Senior Management Attendance

Co-submitted by: Prince Edward Island & Nova Scotia/Newfoundland Holstein Branches

- WHEREAS the provincial Branch AGMs are an integral part of the Breed Association's contact with membership;
- WHEREAS the provincial Branch AGMs bring forth ideas from the Holstein Clubs and members;
- WHEREAS the provincial Branch AGMs are an annual opportunity for Holstein Canada Leadership to speak to and interact with the membership;

THEREFORE BE IT RESOLVED that a member of Holstein Canada's Board Executive, Senior Management, the local National Director, and Field Services member attend each of the nine provincial Branch AGMs for the duration of each.

Action Plan: Complete. Holstein Canada recognizes the value of participating in Provincial Branch Annual General meetings and has made every effort to attend meetings in alignment with this resolution.

5. Herd Book Recording:

For Tag Activation Reporting and Updating Active Cow List

Submitted by: New Brunswick Holstein Branch

- WHEREAS all farms are required under proAction® to report all births of both male and female animals to DairyTrace;
- WHEREAS registration of both females and males through Holstein Canada's Herdbook is linked to the dam and sire and also creates a Trace file that is sent to DairyTrace to report the births on the producer's behalf;
- WHEREAS birth information from Single White tagged animals is not connected to Holstein Canada's Herdbook;
- WHEREAS calving information is required when classifying animals. Many herds use milk recording to transfer information to Holstein Canada, such as calving dates and lactation numbers. For herds that do not milk record, calving information is not automatically available to classifiers as it is not added to their active cow lists;
- WHEREAS animals without calving reported by 36 months of age do not appear on a herd's active cow list, and so the active cow list is not able to be utilized to generate mating plans;
- WHEREAS many herds that classify use this information to inform their mating decisions;
- WHEREAS many producers tend to stop classifying within 2 years of discontinuing milk recording;

THEREFORE BE IT RESOLVED that Holstein Canada offer an option to record birth/calving information for single white tag activations so that it may be linked to the producer's active cow list. This will create an accurate digital herd file of active animals with lactation numbers and fresh dates for Classifiers, allowing for a more efficient visit. Having an accurate and up-to-date Active list will also add value to the producer as their preferred AI service provider can easily use it to create an accurate mating plan. By adding value to the service, retention could be increased.

Action Plan: In progress. This has been reviewed with the DairyTrace leadership team to assess options for data exchange. Further review will be required pending privacy considerations and legal advice. We are also evaluating additional options for data collection to support this work.

6. Pricing:

Add Polled to Testing Bundle

Submitted by: New Brunswick Holstein Branch

- WHEREAS an ever-increasing number of farmers are selecting for the polled gene;
- WHEREAS testing for the polled gene currently costs an extra \$35;
- WHEREAS Holstein Canada offers multiple traits in the genotyping testing bundle;

THEREFORE BE IT RESOLVED that Holstein Canada include polled testing in the genotyping bundle.



Action Plan: Withdrawn. Complete.



7. Education:

Scurs

Submitted by: New Brunswick Holstein Branch

- WHEREAS scurs differ from horns;
- WHEREAS scurs can only be expressed in heterozygous polled animals;

THEREFORE BE IT RESOLVED that Holstein Canada educate farmers about scurs.

Action Plan: The topic will be reviewed by the Education and Extension team and considered for future educational planning.

8. Classification:

Consistency of Classification

Submitted by: Holstein Québec

- WHEREAS Classifiers have two discretionary points (+ or -2 points) on the score for each part of the cow once individual traits have been evaluated;
- WHEREAS the evaluation of each trait should be the most objective evaluation of a cow's conformation;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to make the necessary representations to assess the possibility of decreasing the discretionary point to plus or minus 1 and/or to make any other changes to the classification to make it more consistent.

Action Plan: Defeated – reviewed by Breed Improvement Committee.

9. Classification:

Classification of First Lactation Cows

Submitted by: Holstein Québec

- WHEREAS more and more producers do not classify all cows in first lactation;
- WHEREAS it is possible to ask for an estimation of the cow's score without necessarily agreeing to have her classified;
- WHEREAS it is possible not to have the bottom-end cows classified and that several producers do so;
- WHEREAS the Classifier can spend a considerable amount of time evaluating cows that will not be classified in the end;
- WHEREAS the classification of all cows in the first lactation is essential to ensure accurate bull proofs;
- WHEREAS Holstein Canada's classification service is in deficit;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to assess the possibility of requiring the classification of all classifiable first lactation cows and/or to offer a classification fee based on the number of classifiable first lactation cows.

Action Plan: Monitoring. Reviewed in detail by Breed Improvement committee. First lactation animals being not-presented for Classification will be monitored, with no immediate action.

10. Classification:

Classification Autonomy

Submitted by: Holstein Québec

- WHEREAS our classification program has an outstanding reputation that extends far beyond our borders;
- WHEREAS this good reputation is strongly linked to the experience and training of the Classifiers who assess our animals;
- WHEREAS the independent judgment of these Classifiers is essential to maintaining the quality of their work;
- WHEREAS the Classifiers are able to assess whether an animal is suitable for classification and do not have to be influenced by a breeder to confirm whether or not an animal is classifiable;
- WHEREAS some breeders ask Classifiers to only classify animals above a certain score. For example, 83 and 85 points for first lactation cows;
- WHEREAS this practice undermines the reputation of the integrity of our classification system, as well as the reliability of the data in the classification results.



THEREFORE BE IT RESOLVED that Holstein Canada be asked to quickly restore all the autonomy necessary for a fair and just classification for all animals in a condition deemed suitable for classification.

Action Plan: Monitoring. Reviewed in detail by Breed Improvement committee. First lactation animals being not-presented for Classification will be monitored, with no immediate action.

11. Report:

Components and Dollar Value per Day of Life at Anniversary Date

Submitted by: Holstein Québec

- WHEREAS breeders are constantly looking for better-performing cows and ways to select the right individuals for breeding;
- WHEREAS Holstein Québec and its clubs are always looking for the best awards to honour the cows for their productions;
- WHEREAS Lactanet now publishes an annual report with kg of components and production and \$ per day of life on the animals' anniversary date;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to work in collaboration with Lactanet to make it possible to have lists of the best cows, either in \$ per day of life, according to the anniversary date, or in kg of components per day of life, according to the anniversary date, by province and by club.

Action Plan: In progress. Strong collaboration between Lactanet, Holstein Canada and the other breed associations is ongoing to produce these recognitions in 2026.

12. Report:

Inclusion of Crampiness in Bull and Cow Genetic Proofs

Submitted by: Holstein Québec

- WHEREAS the crampiness issue is one that has been known for many years, particularly in the Holstein breed;
- WHEREAS this problem was the subject of initial research work, but insufficient data made it impossible to present satisfactory results for breeders;
- WHEREAS the lack of transparency and concrete action taken in the industry to prevent the condition from spreading have made crampiness a problem whose prevalence is neither negligible nor without economic consequences for breeders;
- WHEREAS the limited data available, particularly the condition's prevalence in a sire's progeny, is relatively inaccessible as it is presented in a format that is not easily understood by the majority of breeders;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to work with Lactanet and the various partners involved to modify the display of genetic proofs by improving the transparency and accessibility of information concerning crampiness in bulls and cows.

Action Plan: Not started - Lactanet plans to review the display of defective characteristics to enhance clarity and understanding for users.

13. Research:

Continued Data Collection and Research on Crampiness

Submitted by: Holstein Québec

- WHEREAS the crampiness issue is one that has been known for many years, particularly in the Holstein breed;
- WHEREAS this problem was the subject of initial research work, but insufficient data made it impossible to present satisfactory results for breeders;
- WHEREAS the lack of transparency and concrete action taken in the industry to prevent the condition from spreading have made crampiness a problem whose prevalence is neither negligible nor without economic consequences for breeders;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to make the necessary representations to Lactanet and various industry partners to continue the data collection and research effort on crampiness, including (but not limited to) the use of trained personnel to visit farms and collect more detailed information on affected animals, phenotype specificities observed in these animals, and additional pedigree study and data collection related to the pathophysiology of the condition in different affected animals.



Action Plan: In progress. Reviewed at Genetic Evaluation Board. Task force created by Lactanet to address crampiness. First step will be to establish a standardized, nationwide data collection system integrated with Lactanet's existing infrastructure with the end goal of creating genomic evaluations for this polygenic trait.

14. Master Breeder:

Changes to the Calculation of Master Breeder Points

Submitted by: Holstein Québec

- WHEREAS the Holstein breed is constantly evolving;
- WHEREAS over a period of 20 years, the number of VG first-calf cows has more than doubled. 2004 = 4,437 cows vs 2024 = 9,371 cows;
- WHEREAS over the same period, the same evolution can be seen in VG cows with two calves and more. 2004 = 23,482 cows vs 2024 = 47,163 cows;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to revise the scoring system for the Master Breeder Award, in order to take into account the evolution of conformation in the calculation of points, as was done on the production side.

Action Plan: Research not started.

15. Shows:

Inclusion of Calving Information in Judging Catalogues

Submitted by: Holstein Québec

- WHEREAS Judges rely on the dates and number of calvings during judging to assist them in deciding between certain animals;
- WHEREAS the information must be accurate and transparent to be fair to all animals in the class;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to record the dates and number of calvings in judging catalogues.

Action Plan: In progress. Under review with Show & Judging Committee. Calving Date and Number of Calvings are available data fields through the AssistExpo platform for shows to include in show catalogues.

16. Shows:

Overbagging

Submitted by: Holstein Québec

- WHEREAS in general, too many cows show signs of overbagging in animal judgings;
- WHEREAS a negative public image is associated with overbagging;
- WHEREAS this practice goes against animal welfare rules;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to work towards resolving the problem of overbagging at dairy shows.

Action Plan: Defeated.

17. Pedigree:

Addition of an Abbreviation to Quickly Identify Superior Productions

Submitted by: Holstein Québec

- WHEREAS the addition of an abbreviation would make it possible to quickly highlight Superior Production just below the animal's name in the pedigree header, in the same way as classification;
- WHEREAS this method is already used in other breeds and promotes better visibility of performances;
- WHEREAS for bulls, abbreviations such as "ST", "SP" and "EXTRA" already exist and make it possible to identify bulls that stand out positively in the breed;
- WHEREAS this designation would allow quick comparison between individuals and highlight Superior Production;



THEREFORE BE IT RESOLVED that Holstein Canada be asked to add an abbreviation in the pedigree header to quickly highlight cows with Superior Production.

Action Plan: Not started.

18. Board of Directors:

Eligibility Requirements for Directors on the Holstein Canada Board of Directors

Submitted by: Holstein Québec

- WHEREAS members of the Board of Directors are called upon to make decisions for the good of the breed associations' members;
- WHEREAS members of the Board of Directors act as the voice of Holstein members on various issues;

THEREFORE BE IT RESOLVED that Holstein Canada be asked to ensure that the members of their Board of Directors hold a milk quota. Members who do not should not be eligible to sit on present and future Boards of Directors.

Action Plan: Defeated.

19. Awards:

100 Excellent (EX) Cows

Submitted by: Nova Scotia/Newfoundland Holstein Branch

- WHEREAS Holstein Canada recently recognized herds that have classified over 100 Excellent cows from their prefix during the last 100 years;
- WHEREAS this is a remarkable achievement, a testament to herd longevity and the breeder's passion;

THEREFORE BE IT RESOLVED that Holstein Canada continue to recognize herds/ prefixes with 100 Excellent cows classified and routinely publish their names in the infoHolstein for these major milestones (100EX, 200EX, etc.).

Action Plan: Withdrawn. Complete.

20. Communication:

All-Canadian Contest

Submitted by: Nova Scotia/Newfoundland Holstein Branch

- WHEREAS Holstein Canada now coordinates the "All-Canadian" competition, having taken over responsibilities from the Holstein Journal;

THEREFORE BE IT RESOLVED that Holstein Canada print the All-Canadian results in the "Info Holstein", with one class per page, which includes the animal's picture, Breeder, Owner and Show Placings.

Action Plan: Complete. Holstein Canada invested in adding more spotlight on the All Canadian Contest, including coverage in infoHolstein, Cowsmopolitan, Social Media, and a video All Canadian Winners Reveal.

21. Animal Care Assessments:

Tie Stalls

Submitted by: Nova Scotia/Newfoundland Holstein Branch

- WHEREAS a high proportion of Holstein Canada members farm in tie-stall barns;
- WHEREAS Holstein Canada and Dairy Farmers of Canada have a close working relationship;
- WHEREAS Animal Care in tie-stall barns can be positive, as proven by data collected by Animal Care Cattle Assessments for proAction;
- WHEREAS drastic changes to existing tie-stall barns may be costly or impractical or unnecessary given each individual farm's unique situation;

THEREFORE BE IT RESOLVED that Holstein Canada stand up against regulations banning the existence or alteration of tie-stall facilities as a whole, including the discouragement of building new tie-stalls that may be put forth by Dairy Farmers of Canada.



Action Plan: Was reviewed in detail by Holstein Canada’s Board of Directors, after consultation with Dairy Farmers of Canada. We understand that the guidelines promote freedom of movement, and do not ban existing or new build tie stalls. Freedom of movement as described in the code has many benefits. No action will be taken.

22. HAC Financials:

Detailed Financial Statement

Submitted by: Ontario Holstein Branch

- WHEREAS Holstein Canada is funded by its members;
- WHEREAS financial transparency is vital to maintaining confidence with the membership;
- WHEREAS financial transparency is important for accountability;

THEREFORE BE IT RESOLVED that Holstein Canada commit to presenting a detailed financial statement and a detailed budget at its Annual Meeting.

Action Plan: Complete.

23. Awards:

Cow of the Year

Submitted by: Alberta Holstein Branch

- WHEREAS we as breeders and producers have access to large fields of data;
- WHEREAS the focus of milk components (fat, protein) needs to be included as a significant requirement for this exceptional award. Producers are paid on this information, so this data is relevant;
- WHEREAS other awards have been created to recognize outstanding production achievements, these awards should be used in conjunction with show results. Not every breeder or producer shows, which would allow for a larger scope of cattle to be included;
- WHEREAS the proposed resolution could create a point system and eliminate the need for national voting;

THEREFORE BE IT RESOLVED that Holstein Canada create an unbiased formula to determine a more modern and balanced Cow of the Year award.

Action Plan: Under review. Changes were made to the Cow of the Year process for 2025 including ranked ballot voting to improve results, however an unbiased formula to determine the winner was not applied.

24. Awards:

Cow of the Year

Submitted by: British Columbia Holstein Branch

- WHEREAS Holstein Canada already recognizes several important achievements individually for a single cow;
- WHEREAS combining three such outstanding achievements would create an even more elite award;

THEREFORE BE IT RESOLVED that the base levels of 100,000 kg lifetime milk production, an Excellent score, and at least one Brood Star be combined to create a new inspiring award.

Action Plan: Not started.



Member Awards & Recognition

Master Breeder Awards

Recognizing breeding excellence.

1	BIRDOLM	Rockwood, ON Club: Wellington
1	BOISVERT	L'Avenir, QC Club: Centre du Québec
1	BOKMA	Shubenacadie, NS Club: Central Nova
1	CHEVRIER	Rigaud, QC Club: Montréal-Vaudreuil-Soulanges
1	CRESTOMERE	Ponoka, AB Club: Central Alberta
1	DESSAUGES	Farnham, QC Club: St. Jean
1	DESSROSS	Sainte-Flavie, QC Club: Bas-Saint-Laurent
1	EASTEDGE	Springfield, ON Club: Elgin
1	H-BRIDGE	Parkhill, ON Club: Middlesex
2	HECTARE	Roxton, QC Club: Shefford-Brome-Rouville
1	HIDDENSPRING	Elmira, ON Club: Waterloo
1	MIBOIS	Sainte-Françoise, QC Club: Lotbinière
4	MICHERET	Saint-Zéphirin-de-Courval, QC Club: Centre du Québec
1	MISSIONTRAIL	Woodlands, MB Club: Interlake
1	MOSNANG	Rimbey, AB Club: Central Alberta
2	NAULY	Tingwick, QC Club: Bois-Francs
1	RINGO	Saint-Mathias-sur-Richelieu, QC Club: Shefford-Brome-Rouville
1	ROCHELET	Warwick, QC Club: Bois-Francs
1	ROCLAIRSON	La Présentation, QC Club: Saint-Hyacinthe
1	SAINTOUR	Baie-Saint-Paul, QC Club: Saguenay-Lac-Saint-Jean-Charlevoix
1	VONBURG	Woodstock, ON Club: Oxford

Education Awards

Supporting youth education.

East

Anthony Boyd
Dalhousie University
Norton NB

Quebec

Victoria Paquette
Institut de technologie agroalimentaire du Québec
Brigham, QC

Louis-Philip Dionne

Laval University
Saint-Denis, QC

Ontario

Maryn Hunter
University of Guelph
Smiths Falls, ON

Cailyn Charlton

Lakeland College
Brantford, ON

West

Dorian de Lange
Lakeland College
Millet, AB

All-Canadian Contest

To watch a replay of the first-ever live All-Canadian Reveal and view full results, visit www.holstein.ca.

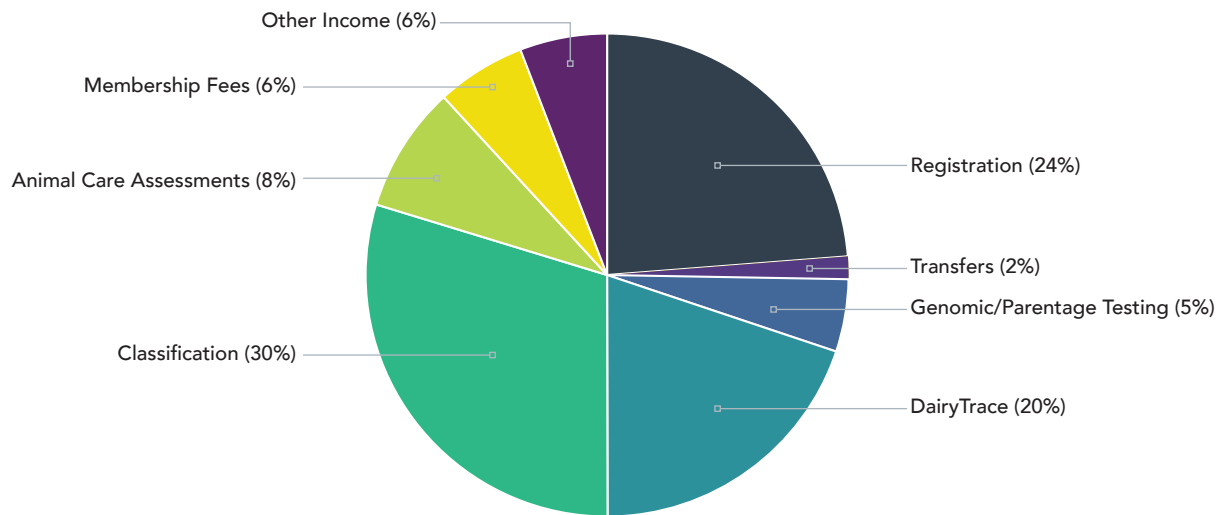


Financial Highlights

Activity Numbers By Province

PROVINCE	MEMBERSHIPS		REGISTRATIONS		CLASSIFICATIONS		TRANSFERS		GENOMIC TESTS	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
British Columbia	289	301	18,256	18,201	14,239	13,812	673	752	651	453
Alberta	399	406	24,294	22,886	15,966	15,761	2,843	2,307	2,507	3,708
Saskatchewan	103	106	8,613	8,661	7,318	5,353	379	468	1,020	950
Manitoba	188	193	11,652	10,252	6,310	5,960	592	480	369	717
Ontario	3,090	3,145	96,945	94,688	75,808	80,936	8,848	9,632	9,615	5,846
Quebec	3,407	3,513	91,484	92,387	97,285	98,807	10,512	12,699	4,780	4,705
New Brunswick	142	148	4,515	4,841	3,532	4,158	410	454	406	399
Prince Edward Island	138	137	4,575	4,502	3,594	3,877	1,062	336	123	145
Nova Scotia	156	156	5,048	5,000	5,640	5,951	368	520	1,035	1,117
Newfoundland	15	16	1,536	1,731	802	885	73	107	43	63
International	3	3	0	0	0	0	201	242	4	0
TOTAL	7,930	8,124	266,918	263,149	230,494	235,500	25,961	27,997	20,553	18,103

2025 Revenue From Operations



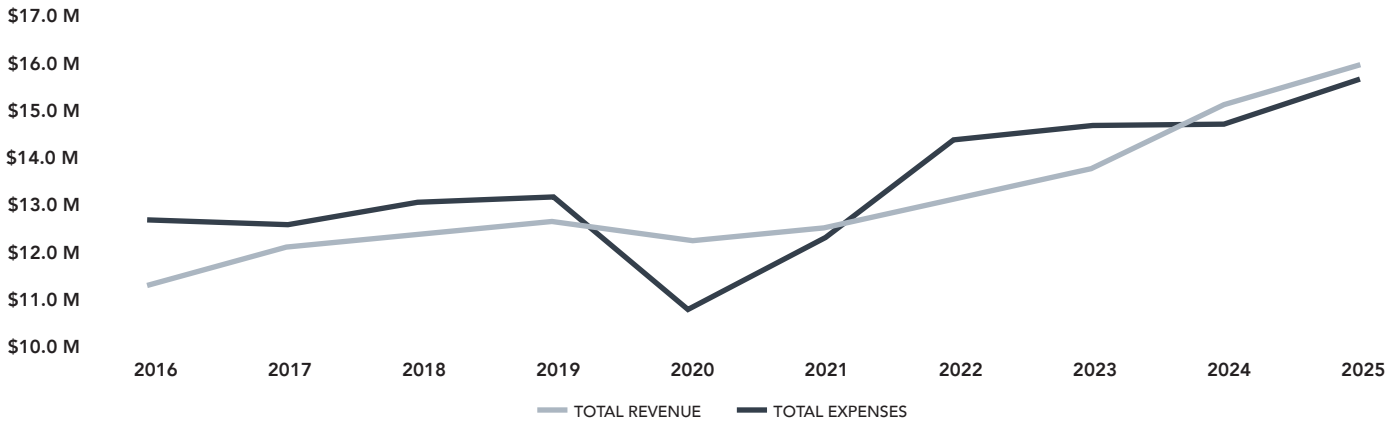
Classification Activity

Holstein Animals		Other Breed Animals		Total Animals	
2025	214,100	2025	16,394	2025	230,494
2024	218,577	2024	16,923	2024	235,500



Financial Highlights

10-Year Operational Results



2025 Financial Highlights - At A Glance

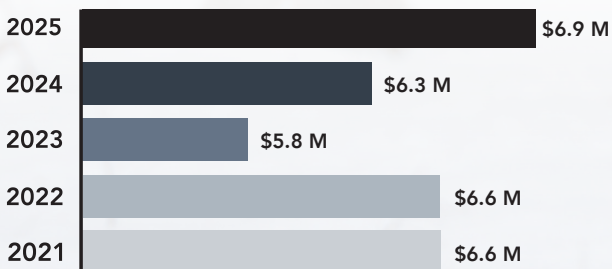
Revenue: \$16.9 M



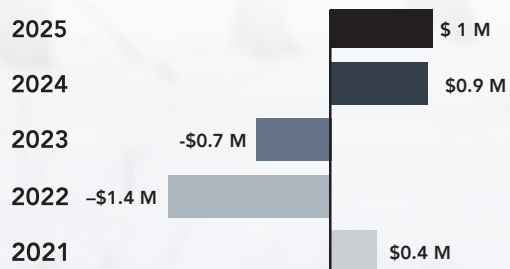
Expenses \$16.4 M



Reserve Fund: \$6.9 M



Surplus* / (Deficit): \$1 M



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





2025 Financial Report

Financial Overview – A Year of Operational Resilience

Fiscal 2025 closed with strong top-line momentum and disciplined cost management, resulting in a solid operating surplus and strengthened liquidity.

Revenue Growth

Total operating revenue increased 5.9% year-over-year, driven primarily by elevated tag sales (+11.3%) as producers proactively increased inventory ahead of potential postal disruptions. Growth was further supported by:

- Registrations: +2.1% year-over-year (3,769 additional registrations)
- Genomic/Parentage Testing: +14.6% year-over-year (2,450 additional tests)

While membership volumes declined modestly (194 fewer members year-over-year), revenue remained stable due to appropriate deferred revenue alignment, reflecting improved revenue recognition consistency.

The revenue mix demonstrates continued reliance on core service lines while reinforcing the strategic importance of DairyTrace-related activity.

Expense Discipline and Cost Structure

Total expenses increased 6% year-over-year, primarily attributable to:

- Strategic consulting and governance-related advisory costs
- Legal expenditures
- Capital asset impairment adjustments

Importantly, core operating expenses remained controlled:

- Salaries and benefits were 4.1% lower than prior year due to turnover and open positions including CEO.
- Travel expenses decreased 6.3%, particularly within the On-Farm Experience team.
- Overall expenses were within the budget, demonstrating strong financial oversight despite transitional organizational changes.

The 2025 cost profile reflects a year of structural review and governance strengthening rather than structural cost inflation.

Human Capital

Year-end staffing stood at 84 employees, compared to 80 in 2024 and a budgeted 89. Recruitment challenges and turnover limited full execution of workforce expansion plans.

For 2026, open roles are being reassessed following strategic review to ensure optimal alignment between staffing, service delivery, and financial sustainability.

Liquidity and Working Capital – Meaningful Improvement

Liquidity strengthened materially in 2025:

- Cash balance: \$302K
- No outstanding balance on the \$825K line of credit
- DSO improved from 49 days to 30 days

This improvement reflects deliberate working capital strategies, including:

- Enhanced collection processes
- Increased digital payment adoption
- Proactive customer communication

Accounts receivable declined significantly from \$2.3M to \$1.6M, reflecting improved cash conversion and operational discipline.

Reserve Fund – Strong Performance and Capital Stewardship

The Reserve Fund continues to provide financial stability and strategic flexibility.

- Year-end market value: \$6.9M (up from \$6.3M in FY 2024)
- Annual portfolio return: 9.28%
- Total return of \$585K

The portfolio remains aligned with the Investment Policy and is overseen by RBC Dominion Securities, with governance review by the Audit & Finance Committee.

A minimum reserve threshold of \$4M remains protected for operational continuity, with excess funds available for future strategic initiatives.

Overall Financial Position

The organization closed FY2025 with:

- Operating surplus of \$426K
- Total surplus (all funds): \$1M
- Strengthened liquidity
- Improved working capital efficiency
- Stable reserve growth

Despite governance-related expenditures and transitional staffing dynamics, the organization maintained financial stability and improved balance sheet strength.

Syed Mazahir Roomi

Syed Mazahir Roomi
Fractional Controller



Financial Statements of

HOLSTEIN ASSOCIATION OF CANADA

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP

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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, 2025
- 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, 2025, and its results of operations, its changes in fund balances 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 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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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.



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- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants,

Hamilton, Canada

March 24, 2026



HOLSTEIN ASSOCIATION OF CANADA

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	Operating Fund	Reserve Fund	2025 Total	2024 Total
Assets				
Current assets:				
Cash and cash equivalents (note 2)	\$ 302,189	\$ 660,276	\$ 962,465	\$ 967,486
Accounts receivable (note 3)	1,634,568	–	1,634,568	2,298,959
Other receivables	188,448	–	188,448	116,963
Prepaid expenses	460,111	–	460,111	359,352
Inventory	12,812	–	12,812	23,761
	<u>2,598,128</u>	<u>660,276</u>	<u>3,258,404</u>	<u>3,766,521</u>
Investments (note 4)	–	6,229,337	6,229,337	5,642,302
Capital assets (note 5)	2,375,274	–	2,375,274	2,319,456
	<u>\$ 4,973,402</u>	<u>\$ 6,889,613</u>	<u>\$ 11,863,015</u>	<u>\$ 11,728,279</u>

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities (note 6)	\$ 1,784,269	\$ 2,500	\$ 1,786,769	\$ 2,135,439
Deferred revenue (note 7)	356,667	–	356,667	414,784
Demand facility (note 8)	–	–	–	545,000
Current portion of long-term debt (note 9)	127,329	–	127,329	111,195
	<u>2,268,265</u>	<u>2,500</u>	<u>2,270,765</u>	<u>3,206,418</u>
Long-term debt (note 9)	103,345	–	103,345	44,830
	<u>2,371,610</u>	<u>2,500</u>	<u>2,374,110</u>	<u>3,251,248</u>
Fund balances:				
Reserve (note 12)	–	6,887,113	6,887,113	6,301,478
Operating	2,601,792	–	2,601,792	2,175,553
	<u>2,601,792</u>	<u>6,887,113</u>	<u>9,488,905</u>	<u>8,477,031</u>
Commitments (note 14)				
	<u>\$ 4,973,402</u>	<u>\$ 6,889,613</u>	<u>\$ 11,863,015</u>	<u>\$ 11,728,279</u>

See accompanying notes to financial statements.



HOLSTEIN ASSOCIATION OF CANADA

Statement of Operations and Changes in Fund Balances

Year ended December 31, 2025, with comparative information for 2024

	Operating Fund	Reserve Fund	2025 Total	2024 Total
Revenue:				
Classification	\$ 4,989,483	\$ –	\$ 4,989,483	\$ 5,038,980
Registrations	3,985,885	–	3,985,885	3,903,075
DairyTrace	3,327,431	–	3,327,431	2,989,006
Animal care assessments	1,418,455	–	1,418,455	1,146,968
Other income	984,060	–	984,060	897,802
Membership fees	1,002,882	–	1,002,882	854,058
Genomic & parentage testing	814,193	–	814,193	710,676
Transfers	253,598	–	253,598	282,851
	16,775,987	–	16,775,987	15,823,416
Expenses:				
Salaries and benefits	6,931,223	–	6,931,223	7,225,650
DairyTrace cost of sales	2,982,446	–	2,982,446	2,562,015
Travel, meals and accommodations	1,556,241	–	1,556,241	1,621,430
Laboratory costs	598,940	–	598,940	595,595
Genetic evaluations & research	468,888	–	468,888	457,357
Events	423,899	–	423,899	438,677
Amortization	400,684	–	400,684	356,604
Office expenses	379,288	–	379,288	326,294
Computer hardware, software and peripherals	320,017	–	320,017	288,626
Advertising and promotion	279,639	–	279,639	227,076
Consultants, professional services	639,798	–	639,798	241,462
Honorariums and per diems	182,893	–	182,893	230,130
Facility expenses	251,075	–	251,075	217,308
Miscellaneous expenses	177,197	29,520	206,717	214,492
Translation expenses	199,582	–	199,582	118,025
Contract staff	166,798	–	166,798	116,411
Other cost of sales	102,648	–	102,648	101,236
Other staff expenses	135,588	–	135,588	92,713
	16,196,844	29,520	16,226,364	15,431,101
Excess (deficiency) of revenue over expenses before the undernoted				
	579,143	(29,520)	549,623	392,315
Other income (expense):				
Unrealized gain on investments	–	399,937	399,937	274,787
Investment income	–	207,545	207,545	212,563
Loss on disposal of capital assets	(152,904)	–	(152,904)	(18,750)
Realized gain on sale of investments	–	7,673	7,673	8,911
	(152,904)	615,155	462,251	477,511
Excess of revenue over expenses				
	426,239	585,635	1,011,874	869,826
Fund balance, beginning of year				
	2,175,553	6,301,478	8,477,031	7,607,205
Fund balance, end of year				
	\$ 2,601,792	\$ 6,887,113	\$ 9,488,905	\$ 8,477,031

See accompanying notes to financial statements.



HOLSTEIN ASSOCIATION OF CANADA

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 1,011,874	\$ 869,826
Items not involving cash:		
Amortization	400,684	356,604
Loss on disposal of capital assets	152,904	18,750
Unrealized gain on investments	(399,937)	(274,787)
Realized gain on sale of investments	(7,673)	(8,911)
Change in non-cash operating working capital:		
Accounts receivable	664,391	(743,129)
Other receivables	(71,485)	19,205
Prepaid expenses	(100,759)	(117,528)
Inventory	10,949	(2,636)
Accounts payable and accrued liabilities	(348,670)	494,891
Deferred revenue	(58,117)	265,856
	1,254,161	878,141
Investing activities:		
Purchase of capital assets	(633,065)	(518,718)
Proceeds on disposal of capital assets	23,659	23,800
Purchase of investments	(1,646,926)	(639,620)
Proceeds on sale of investments	1,467,501	1,107,712
Change in restricted cash	1,400	(653,252)
	(787,431)	(680,078)
Financing activities:		
Proceeds from debt	273,000	103,934
Repayment of long-term debt	(198,351)	(182,754)
Revolving demand facility loan	(545,000)	(50,000)
	(470,351)	(128,820)
(Decrease) increase in cash and cash equivalents	(3,621)	69,243
Cash and cash equivalents, beginning of year	305,810	236,567
Cash and cash equivalents, end of year	\$ 302,189	\$ 305,810

See accompanying notes to financial statements.



HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements

Year ended December 31, 2025

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 are 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, 2025

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:

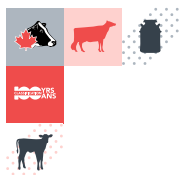
Management reviews the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment determined by a comparison of the estimated undiscounted future operating cash flows to be generated by the asset 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, 2025

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 \$660,276 (2024 - \$661,676) in internally restricted funds held in high-interest savings account earning interest at rates of 0.05% - 2.80% (2024 - 0.45% - 2.80%).

3. Accounts receivable:

Accounts receivable represents trade receivables for membership fees, services and products and are net of an impairment allowance of \$23,181 (2024 - \$20,048).



HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

4. Investments:

Investments consist of the following:

	2025		2024	
	Cost	Fair value	Cost	Fair value
Guaranteed investment certificates	\$ 3,099,999	\$ 3,157,534	\$ 3,200,000	\$ 3,246,645
Bonds and debentures:				
Canadian provincial and public authorities	251,854	252,103	202,656	202,464
Canadian corporate bonds	297,402	301,897	146,659	145,394
Equities:				
Preferred shares	55,340	56,007	55,340	51,520
Common shares	1,150,870	2,342,624	1,098,096	1,922,902
Foreign securities	90,087	119,172	55,703	73,377
	\$ 4,945,552	\$ 6,229,337	\$ 4,758,454	\$ 5,642,302

The guaranteed investment certificates earn interest at a rate ranging between 1.65% - 5.45% (2024 - 1.39% - 5.45%). The bonds have interest rates between 1.65% - 4.60% (2024 - 1.65% - 4.60%). These investments will mature within a period of 1 - 6 years and are readily converted into cash.

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

5. Capital assets:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 328,851	\$ -	\$ 328,851	\$ 328,851
Building	3,008,125	2,406,792	601,333	701,604
Building improvements	520,660	203,781	316,879	228,079
Fafard sculpture	179,686	-	179,686	179,686
Office furniture and equipment	588,559	440,204	148,355	49,518
Computer hardware and software	1,107,750	812,269	295,481	145,600
Automobiles	1,187,459	682,770	504,689	686,118
	\$ 6,921,090	\$ 4,545,816	\$ 2,375,274	\$ 2,319,456



HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$84,324 (2024 - \$57,709), which includes amounts payable for federal and provincial sales taxes.

7. Deferred revenue:

	2025	2024
Membership fees	\$ 235,681	\$ 239,648
DairyTrace	96,501	134,761
Other	24,485	40,375
	\$ 356,667	\$ 414,784

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, \$nil of the facility was utilized (2024 - \$545,000). The demand facility and the revolving term loan facility (note 9) 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 Royal Bank of Canada totaling approximately \$400,000 (2024 - \$400,000 with US Bank of Canada). At year end, \$114,595 of the facility was utilized (2024 - \$106,767) 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, 2025

9. Long-term debt:

	2025	2024
Revolving term loan fully repaid during the year.	\$ –	\$ 76,909
Revolving term loan, repayable in monthly installments of \$8,250 including interest calculated at a rate of 5.11% per annum, maturing December 2027, secured by a general security agreement.	185,844	–
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.	22,415	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.	22,415	39,558
	230,674	156,025
Current portion of long-term debt	(127,329)	(111,195)
Long-term portion of debt	\$ 103,345	\$ 44,830

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 \$185,844 (2024 - \$76,909) of the term loan facility was utilized, with no drawings on the lease line of credit (2024 - \$nil).

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

2026	\$ 127,329
2027	103,345
Total	\$ 230,674



HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

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 \$177,671 (2024 - \$175,130).

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, 2025

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 (2024 - \$nil).

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, \$36,846 (2024 - \$170,543) is included in accounts payable and accrued liabilities relating to these amounts. At year end, \$35,207 (2024 - \$23,910) is included in accounts receivable relating to these amounts.



HOLSTEIN ASSOCIATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

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 \$402,735, plus \$75,000 for dairy research as part of the DairyGen Council.



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