



Les
Producteurs
de lait
du Québec

SUSTAINABLE

ANNUAL REPORT
2023

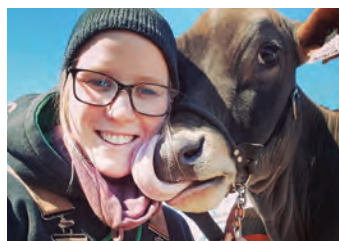
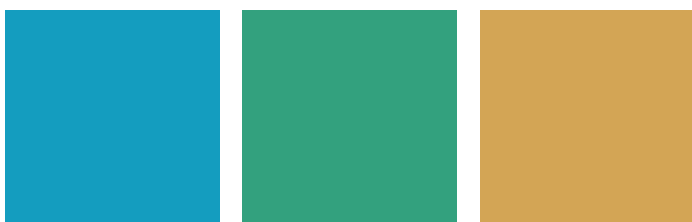
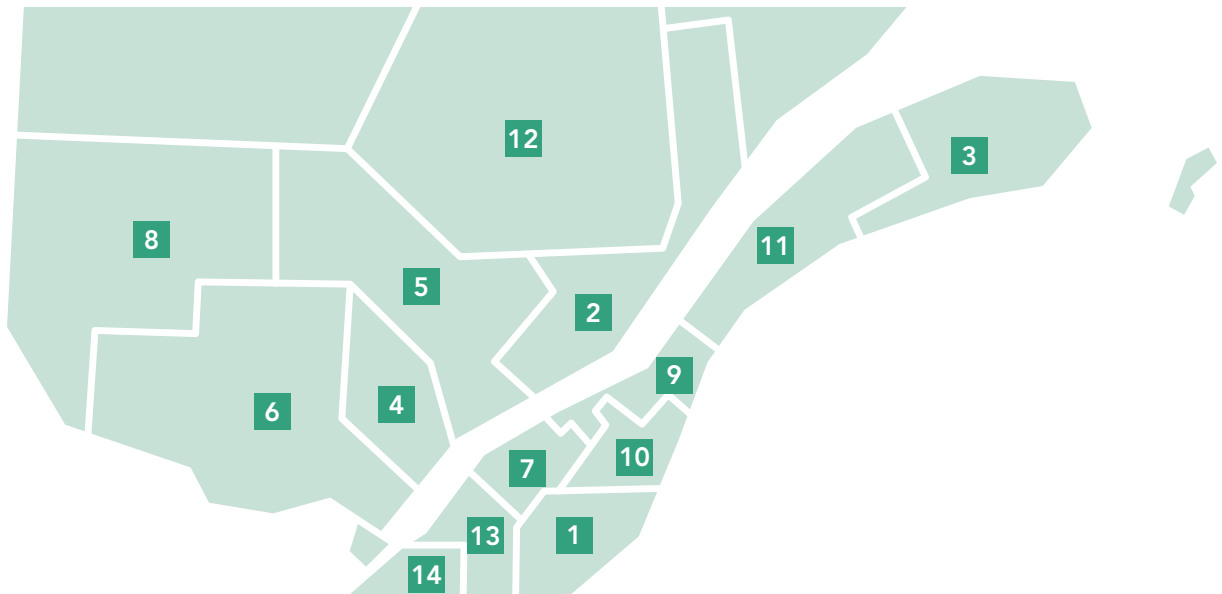


TABLE OF CONTENTS

- 2. Regions
- 3. Quebec milk production in 2023, in numbers
- 4. Message from the Chair
- 6. Board of Directors
- 8. Message from the General Manager
- 10. Organizational Chart
- 11. National Milk Policy and Marketing
- 14. Milk Management
 - 16. Quota
 - 19. Milk Allocation and Transportation
 - 22. Quality Control
 - 24. Technical Controls
 - 26. ProAction
- 36. Economic Studies
- 40. Information Technology
- 42. Milk Donations
- 43. Communications, Public Affairs and Union Support
- 47. Marketing
- 52. Finance and Administration
- 55. Financial Statements

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* Secretary

QUEBEC MILK PRODUCTION IN 2023, IN NUMBERS



4,333
dairy farms



3.54
billion
litres of milk



\$3.38
billion
in milk sales



65,998

jobs* generated by
the dairy industry

* Includes direct, indirect and induced jobs.

GDP

\$6.1
billion
contributed
to the GDP



More than
1 million

litres of milk donated by
producers to the Food Banks
of Quebec



314
tank trucks



117
processing plants,
including **62** artisanal dairy
product plants



140
certified organic farms
producing more than
71 million litres of milk



Les
Producteurs
de lait
du Québec

MISSION AND VISION ADOPTED BY RESOLUTION OF THE ANNUAL GENERAL MEETING OF LES PRODUCTEURS DE LAIT DU QUÉBEC ON APRIL 19 AND 20, 2023

Mission

Bring together Quebec milk producers by providing leadership in marketing high-quality milk that meets society's expectations, and ensure the sustainable development of dairy farms.

Vision

By forging progress in a solid supply management and collective marketing system, by 2030, we will have producers in every region whose profession is recognized and who operate profitable businesses within a dynamic, innovative and sustainable sector.



MESSAGE FROM THE CHAIR

2023, the 40th anniversary of Les Producteurs de lait du Québec, was exceptional due to the passage of Bill C-282 in the House of Commons, the adoption of the 2023-2030 Strategic Plan and the 2023-2024 Sustainable Development Plan.



Indeed, we celebrated the organization's 40th anniversary in different ways throughout the year, under the theme of *Toward the Future*. This gave us an opportunity to remember just how far we have come in the last four decades and use this experience to tackle our current and future challenges more effectively.

Looking toward the future and rallying in solidarity behind a clear vision and goals for the coming years is what we did when we adopted the 2023-2030 Strategic Plan and the 2023-2027 Sustainable Development Plan. The vision we adopted is the following: By forging progress in a solid supply management and collective marketing system, by 2030, we will have producers in every region whose profession is recognized and who operate profitable businesses within a dynamic, innovative and sustainable sector.

One of the goals of the Strategic Plan is to preserve our greatest common assets: supply management and collective marketing. A major milestone in protecting our collective marketing model was achieved when the House of Commons passed Bill C-282, which aims to prohibit the Canadian government from signing agreements that endanger the supply management system. All leaders of the political parties represented in Parliament voted in favour of the bill, in addition to all Quebec MPs. The debates should continue in 2024, but once the Senate passes the bill, this matter will be resolved.

In terms of revenue, the price indexing formula generated a 4.7% increase, of which 2.5% was applied in advance on September 1, 2022. Despite heavy food inflation both in Canada and around the globe, our marketing model provided

“ Looking toward the future and rallying in solidarity behind a clear vision and goals for the coming years is what we did when we adopted the 2023-2030 Strategic Plan and the 2023-2027 Sustainable Development Plan. ”

a great deal of stability to consumers and producers. Our farms faced huge challenges, given the higher interest rates in 2023 and the impending requirements that must be implemented in order to meet societal expectations. This is why it is important for producers to be able to obtain fair compensation from the market.

To achieve the goal of strengthening our marketing model and ensure the sustainability and growth of our industry, the 10 provinces worked together like never before in 2023. We started by adopting the Market Growth Program and then reviewed market and cost sharing between the provinces. These efforts were made to ensure that the risks are shared by producers and that producers and processors are treated equitably. The sustainability of our industry depends on the cooperation of all actors. A strong local industry will be a meaningful asset in dealing with the coming crises and feeding the population.

The Sustainable Development Action Plan that we adopted at our Annual General Meeting in April 2023 also shows our desire to look toward the future with a view to ensuring the long-term viability of our production and making a contribution to our planet's sustainability. Our Sustainable Development Plan sets priorities based on our expertise and capabilities, with the ultimate goals of improving our

performance in the fight against climate change and in sustainable agricultural practices and of strengthening our social and economic contributions.

With this in mind, we chose the sustainable development of our industry as the theme for our annual report. I encourage you to read its thematic pages for that reason. These pages summarize the organizational analysis that highlighted four effective actions as strengths of our organization, due to their positive impact on the environmental, social and economic dimensions of sustainable development, and present the Plan adopted last April.



Daniel Gobeil, Chair

BOARD OF DIRECTORS



Daniel Gobeil
Chair
Saguenay–Lac-Saint-Jean



Alain Brassard
1st Vice-Chair
Centre-du-Québec



Jacques Lafortune
2nd Vice-Chair
Lanaudière



Marcel Blais
Executive Member
Estrie



Jean-François Morin
Executive Member
Chaudière-Appalaches-Nord



Martin Auclair
Member
Capitale-Nationale–Côte-Nord



Normand Barriault
Member
Gaspésie-Les Îles

Gabriel Belzile
Member
Bas-Saint-Laurent



Michel Frigon
Observer Member
Saguenay–Lac-Saint-Jean



Pierre Lampron
Member
Mauricie



Pascal Leduc
Member
Outaouais-Laurentides



David Poulin
Member
Chaudière-Appalaches-Sud



Vincent Rainville
Member
Montérégie-Est



Michel Robert
Member
Abitibi-Témiscamingue



Peter Strelbel
Member
Montérégie-Ouest



MESSAGE FROM THE GENERAL MANAGER

2023 marked the beginning of major projects for Les Producteurs de lait du Québec. These projects are directly aligned with the organization's mission and vision, which it hopes to achieve by 2030.



Sustainable development is so important for the future of our industry that we adopted the 2023-2027 Sustainable Development Action Plan, which sets out the priority actions that we will take to achieve our goals. We developed pivotal projects with our affiliated organizations so that the industry would have the tools it requires to meet future needs. One of these projects is estimating the enteric methane emitted by herds using milk samples. We are working with Valacta on this project, which is supported by the Quebec government's Green Economy Plan. Another project is the Carbon-Neutral Milk Living Laboratory project, which aims to improve the carbon balance on farms through co-development research with dairy farms, researchers and consulting services, under the management of Novalait. Together, these two projects represent an investment of \$10.6 million in applied research in the province and show Quebec's leadership in meeting this major challenge.

With the goal of ensuring the sustainability and growth of our production, the 10 provinces developed the Market Growth Program, which has various streams that will take gradual effect. This program is designed to stimulate and support the implementation of projects aimed at reducing structural surpluses and promoting market growth. The personnel and elected officials of the 10 provinces worked together extensively to come up with an equitable, fair and transparent framework for producers and processors that serves the economic interests of our farms. In order to comply with Quebec's legislative framework, we had to take certain steps with the Régie des marchés agricoles et alimentaires, and these efforts will continue in 2024. Finally, the federal government's announced Dairy Innovation and Investment Fund of \$333 million, of which \$109 million is reserved for Quebec, will most certainly be a welcome contribution to the investments expected by the industry.

Another important project was started at the national level in 2023. The 10 provinces agreed to review growth sharing between the pools and set up cost-sharing at the national level, in the interest of gradually increasing risk sharing between producers and ensuring greater equity. The fundamentals of sharing enshrined in our national agreements may sometimes seem far from the daily reality of producers. However, they represent one of the major strengths of the dairy industry and one of the key pillars of its sustainability.

At the federal level, Les Producteurs de lait du Québec, in collaboration with Dairy Farmers of Canada and the other provinces, reinforced the protection of supply management. Although Bill C-282 had not yet completed all the steps in the legislative process as these lines were written, it was passed by the House of Commons in June 2023. This ultimate purpose of this effort is to prevent the Canadian government from conceding more access to Canadian markets for supply-managed products during future negotiations. Given that 8.4% of Canada's market shares have been conceded in three agreements, this project is crucial and must be passed by the Senate to take effect.

All of these actions were aimed at obtaining the best results so that we could fulfill our mandate of marketing Quebec producers' milk. On that note, the results in 2023 show growth, as can be seen in the higher milk sales, which increased by 3.84% to reach \$3.375 billion. This increase came at a time of higher volumes and prices. The volume produced by Quebec dairy producers grew by 1.87% to reach 3.537 billion litres. The Canadian market grew by 1.7% during the period, while the market share served by Canadian milk increased by only 1.08%. This difference

can be explained by the 17% upsurge in imports caused by the trade agreements. The additional volume produced by producers made it possible to rebuild the butter stocks required by the market. In terms of revenue, growth came from the prices of the regular classes, which were subject to the Canadian Dairy Commission's 2.2% adjustment on February 1, 2023, and the 2.5% increase that it had exceptionally granted in advance on September 1, 2022.

The price increase in the regular classes was softened by lower world prices. After two years of higher world prices, in 2023, the average price for our solids non-fat in Class 4a fell by 33%.

Overall, the sales structure in Quebec remained stable with 18% of the milk produced on farms used for milk and cream, 11% for yogurt and ice cream, 43% for cheese, and finally, 28% for butter and ingredients. Quebec remains a leader in processing cheese and yogurt.

In closing, I would like to thank our employees at the headquarters and our regional organizations, who work every day to carry out our organization's

mission: *Bring together Quebec milk producers by providing leadership in marketing high quality milk, which meets the expectations of society, and ensure sustainable development of dairy farms.*

“The personnel and elected officials of the 10 provinces worked together extensively to come up with an equitable, fair and transparent framework for producers and processors that serves the economic interests of our farms.”

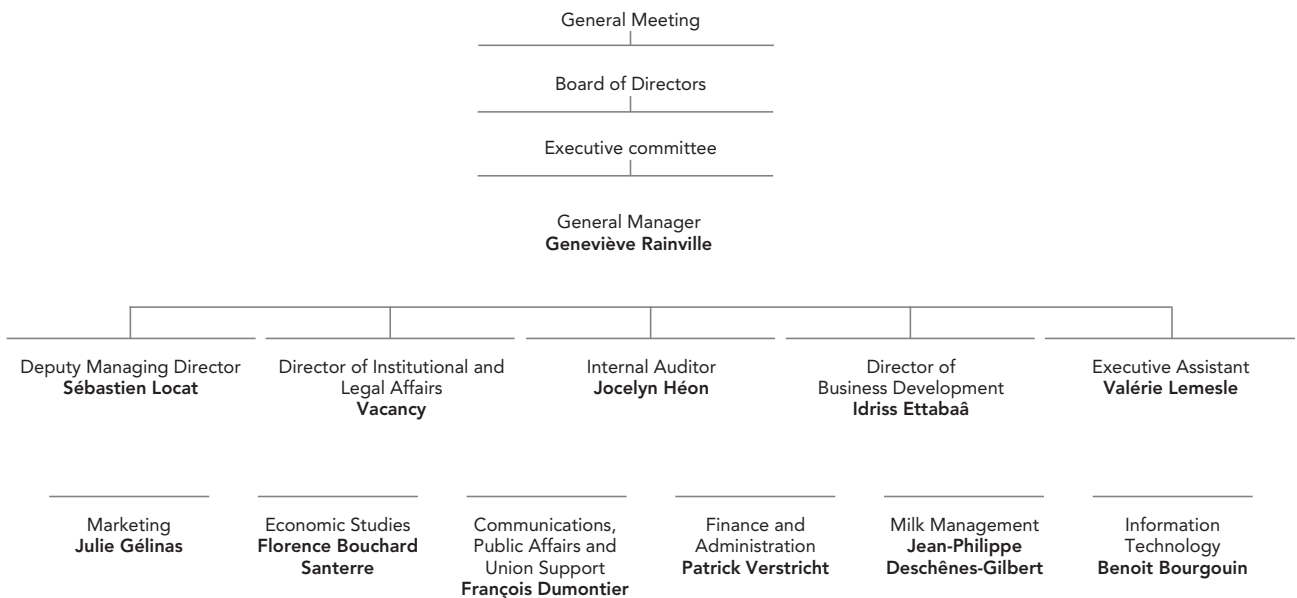


Geneviève Rainville, General Manager

ORGANIZATIONAL CHART



Chantal Durocher, Administrative Assistant **Idriss Ettabaâ**, Director of Business Development **Jocelyn Héon**, Internal Auditor
Valérie Lemesle, Executive Assistant **Sébastien Locat**, Deputy Managing Director **Geneviève Rainville**, General Manager **Isabelle Régnier**, Administrative Assistant



NATIONAL MILK POLICY AND MARKETING



AT THE NATIONAL LEVEL

Market growth program

The producer boards of the ten Canadian provinces decided in July 2023 to set up a Market Growth Program (MGP) that was adopted by the Canadian Milk Supply Management Committee (CMSMC) on July 23, 2023.

This Program includes three streams: Pre-production, Excess Capacity, and Milk Supply.

The Pre-production stream aims to support the execution of studies during the project planning phase. The Excess Capacity stream aims to encourage investment in additional processing capacity for surplus solids non-fat (SNF). Finally, the Milk Supply stream aims to provide a stable supply of milk to eligible projects that generate net growth in butterfat in accordance with provincial supply rules.

The Pre-production stream was launched on December 11, 2023. Details of the other components will be announced in 2024.

Dairy Innovation and Investment Fund

The federal government created a Dairy Innovation and Investment Fund (DIIF). Its goal is to support investments that help the dairy industry better manage the structural surplus of SNF in Canada. The total budget for the period from April 1, 2023, to March 31, 2033, may reach \$333 million, with \$109 million reserved for Québec.

National programs

The CMSMC activated Plan C on a few occasions. Plan C is a cheese purchasing-repurchasing program used particularly during the holiday season. The Market Committee continues to work on reviewing seasonality and other programs of interest to the industry (e.g. 4m, special classes, etc.).

TOTAL PRODUCTION AND NUMBER OF PRODUCERS IN CANADIAN PROVINCES – 2022-2023¹

	Total production (kg of BF)	%	Number of producers ²	%
Newfoundland and Labrador	2,007,868	0.50	23	0.24
Prince Edward Island	5,204,420	1.29	145	1.53
Nova Scotia	8,859,366	2.19	198	2.10
New Brunswick	6,944,295	1.72	164	1.74
Quebec	149,236,653	36.91	4,384	46.43
Ontario	132,299,120	32.72	3,233	34.24
Total P5³	302,543,854	74.83	8,124	86.04
Manitoba	17,159,377	4.24	232	2.45
Saskatchewan	12,368,427	3.06	150	1.59
Alberta	35,335,621	8.74	477	5.05
British Columbia	34,910,554	8.63	437	4.63
Total WMP⁴	99,773,979	24.68	1,296	13.72
Total Canada	404,325,701	100.00	9,443	100.00

1 Source: Canadian Dairy Commission

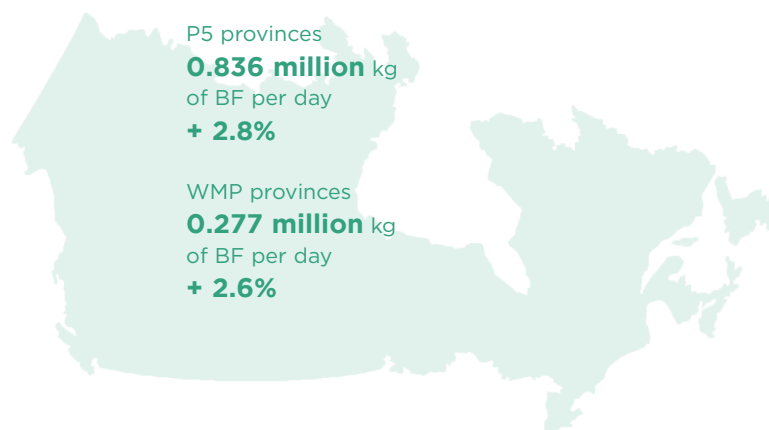
2 As at August 1, 2023

3 Agreement on the Eastern Canadian Milk Pooling

4 Western Milk Pooling Agreement

Daily national dairy production

Daily milk production over the 12-month period ending in December 2023 reached 1.12 million kg of BF per day in Canada, which is an increase of 2.7% compared to 2022.



Retail sales of dairy products in Canada

Fluid milk: - 0.7%

Cream: + 1.6%

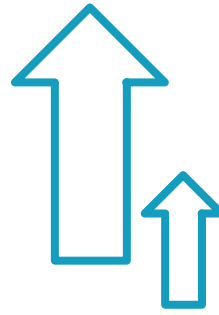
Yogurt: + 2.1%

Ice cream: + 1.5%

Cheese: + 1.1%

Butter: - 1.0%

Compound annual growth rate for the period from January 4, 2019 to December 30, 2023



Quota allocated to Quebec in December 2023:

148.9 million kg of BF

Net increase of 1,505,605 kg of BF



Butter stocks

Decembre 2023

27,363 tonnes

Disputes under trade agreements

Canada-United States-Mexico Agreement

On December 20, 2022, the United States made new requests for consultations with the Canadian government that once again concerned the measures taken by Canada as part of its dairy tariff rate quota allocation policy for Canadian dairy products.

On November 24, 2023, the second panel formed to review the objection raised by the United States regarding Canada's administration of dairy tariff rate quotas under the Canada-United States-Mexico Agreement (CUSMA) published its final report. This panel decided fully in favour of Canada and rejected all demands made by the United States.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership

New Zealand raised an objection under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The panel in charge of hearing its objection deemed that Canada's administration of tariff rate quotas was incompatible in terms of its use of pools. This is essentially the same position taken by the first panel under CUSMA. Canada will decide how to resolve the matter. The panel has not requested any changes for the other demands.

PROVINCES THAT SIGNED THE AGREEMENT ON EASTERN CANADIAN MILK POOLING (P5)

Market and production needs analysis

The P5 provincial boards continued to work together to send the right market signals. P5 Quota Committee meetings were held regularly to analyze the market and react rapidly to needs.

Review of the quota policy

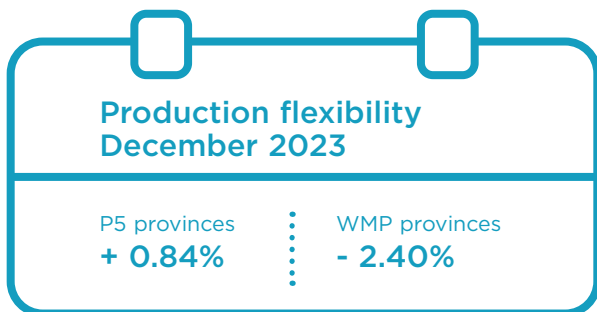
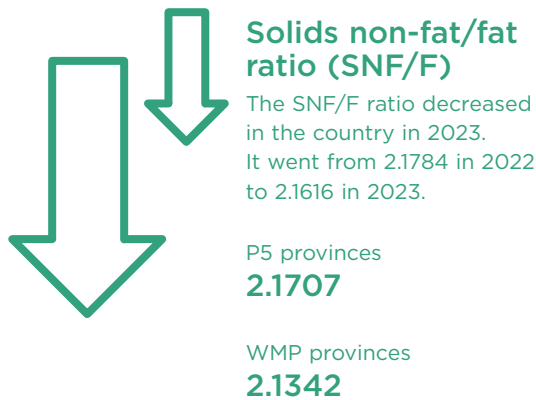
In 2022, the P5 Quota Committee began to review the quota policy.

IN QUEBEC

Marketing agreements

All price adjustments resulting from decisions by the P5 Supervisory Body and the CMSMC are integrated into the milk marketing agreements (MMAs) and approved by the Régie des marchés agricoles et alimentaires du Québec (RMAAQ).

The MMA signatories continued to negotiate the agreements that expired on July 31, 2020. Les Producteurs de lait du Québec wants to review the supply guarantees with a view to enhancing the value of SNF and ensuring that milk will be managed in a more effective and orderly manner, which guarantees that all components are processed.



As concerns supplying dairy plants during the holidays, appendix 9, which deals with the obligations surrounding the receipt of milk from enterprises during this more difficult season owing, in particular, to the statutory holidays, was approved by the RMAAQ on September 26, 2023.

On January 23rd, the RMAAQ authorized the request for approval of modifications to the MMAs aimed at positively restructuring the policy for funding the premium related to milk produced using organic methods. Starting from January 1, 2023, \$0.02/hl of the total volume produced (excluding milk donations) is paid monthly as support for organic production to contribute to the payment of the premium for producers in Group B. The number of producers in Group B1 is increased from 5 to 10 producers, and 5 producers make up the new Group B2. It is worth noting that these modifications result from the resolution adopted by the 2022 General Assembly of Les Producteurs de lait du Québec.

Strategic industry planning

Work continued within various committees toward achieving the industry's strategic planning objectives.

A second edition of the dairy protein and coproduct development forum was held on November 9, 2023. Other industry partners joined this event, where discussions centered specifically on dairy protein value enhancement.

Steering committee for the organic sector strategic plan

Les Producteurs de lait du Québec continued to actively participate in the activities of the steering committee for Quebec's organic sector strategic plan with the goal of developing the organic milk market in Quebec.

VARIATIONS IN QUEBEC'S TOTAL QUOTA ALLOCATION – 2023

	Total quota allotted to Quebec (kg of BF)
2022	
Decembre	147,426,544
2023	
January	147,586,765
February	147,531,379
March	147,959,893
April	148,369,510
May	148,111,031
June	148,060,315
July	147,726,448
August	147,933,661
September	149,000,167
October	148,860,767
November	148,857,242
December	148,932,149
Total variation for the year	1,505,605
Quota variation in percentage	1.02%

SOME FIGURES AND DATA

Canadian market development

The calculation of total requirements takes all imports from the various trade agreements into account. From December 2022 to December 2023, total Canadian demand rose by 7.26 million kilograms of butterfat per day, or a net increase of 1.7%.

Market needs served by Canadian milk increased by 1.08% compared to December 2022, a lower growth level than for total requirements, given the increase in Canadian imports.

National Milk Marketing Plan

Since 2018, the national continuous quota policy has been accompanied by a flexibility limit of 2% for underproduction and a flexibility limit of 1.25% for overproduction.

In July 2023, the national continuous quota position reached 1.32% of quota over 12 months ending in July 2023, while the stock level at that date was around 35,000 tonnes, which is considered acceptable in the industry. To resolve this situation, a stock reconciliation mechanism has been introduced. This calculation mechanism will enable production credits to be added in the system and the pooling position to be re-assessed based on market needs.

MILK MANAGEMENT

The Milk Management Department oversees the marketing of all milk produced on Quebec farms. It performs and coordinates a series of operations so that milk can be brought from farms to processors. This Department acts in accordance with the regulations in force and the agreements binding the other industry actors, i.e. transporters and processors.



Jean-Philippe Deschênes-Gilbert, Milk Management Director
Marc-André Gravel, Development and Special Projects Coordinator
Mario Guertin, Regulatory and Inspection Coordinator

TECHNICAL CONTROLS, ALLOCATION AND TRANSPORTATION COORDINATOR



Natalie Chrétien, Officer **Georges Demers**, Officer **Sylvie Gauthier**, Officer **Claudia Lavigne**, Coordinator
Gabriel Nault, Officer



Manon Chevalier, Clerck **Liliana Sabogal**, Officer **Évelyne Sanfaçon**, Officer

QUALITY CONTROLS, QUALITY ASSURANCE AND QUOTA



Marie-Pier Beauchamp, Coordinator **Audrey Blanchette**, Officer **Stéphane Fournier**, Officer **Julie Lanthier**, Officer
Katherine Laroche, Officer **Julie Malo**, Officer

HIGHLIGHTS OF THE YEAR

ProAction registration for all producers

Since August 1, 2023, all Quebec milk producers have been registered with the proAction program. To guarantee that all Quebec milk meets the high quality standards, it was decided in 2021 that producers should be registered by no later than August 1, 2023. It should be noted that when a producer is deregistered, their milk is no longer picked up.

Contract renewals

After the new Milk Transportation Agreement was approved at the end of 2022, the vast majority of transportation contracts were updated in 2023. These renewals concern all transporters and provide an opportunity to review pricing based on the new parameters that were approved.

This important renewal process also provided an opportunity to optimize transportation routes based on the geographical distribution of producers. The huge update project concerned the period from 2020 to 2023 and will increase transportation costs as a result.

Milk quality: a continuous improvement process

Milk quality is meticulously monitored by the Milk Management Department. Last year, a continuing education course was developed for the graders who are in charge of picking up milk on farms. As a reminder, graders are responsible for judging the quality of milk on farms, taking a representative sample for quality and payment purposes, and transporting the milk to the plants.

The continuing education course includes a review of various quality-related concepts and practical exercises designed to ensure that graders' actions on farms are compliant.

Special attention was given to the number of quality samples (total bacteria counts) received and tested at Lactanet's laboratory. Certain regions that had an above-average sample rejection rate in 2023 were targeted. Some of the actions that were taken included the use of an individual approach for specific transporters and plants and closer monitoring of the enterprises that transport the samples between plants and the laboratory. Today, these regions have a comparable sample testing rate to other regions.

NUMBER OF PRODUCERS AND TOTAL ANNUAL PRODUCTION

Year	Number of producers	Litres
2023	4,333	3,537,409,431
2022	4,498	3,472,474,298
2021	4,643	3,456,115,866
2020	4,732	3,364,433,306
2019	4,877	3,330,619,653
2018	5,050	3,366,911,646
2017	5,308	3,290,911,845
2016	5,473	3,115,879,980
2015	5,624	3,001,700,432
2010	6,353	2,881,365,225
2005	7,376	2,845,524,892
2000	9,193	2,879,594,829
1995	11,394	2,768,340,717
1990	14,078	2,854,838,790

“ As a reminder, graders are responsible for judging the quality of milk on farms, taking a representative sample for quality and payment purposes, and transporting the milk to the plants. ”

Quota

The Quota Section of the Milk Management Department is responsible for administering the By-law respecting quotas for milk producers, which sets the quotas for milk production in Quebec. To that end, the Department controls quota transfers, administers the Young Dairy Farmers Assistance Program and the Dairy Enterprise Startup Program and adjusts production entitlement.

Amendments to the By-law respecting quotas for milk producers

There were no amendments in 2023.

Number of producers

As at December 31, 2023, Quebec had 4,333 licensed producers, compared to 4,498 on the same date the previous year. During the year, 17 producers purchased quota from an existing farm, for a total of 1,467.75 kilograms of butterfat per day. An additional 5 enterprises started up thanks to the startup assistance program. 1 of these 5 had been admitted in 2021 and the others in 2022.

Production adjustment

The main objective of the provincial organizations is to meet demand as quickly and effectively as possible, which is why production adjustment measures were taken during the year. Thus, to ensure a better balance between production and demand and in consideration of the lower butter stock projections for 2023 and 2024, quota was increased by 2% for January. A total of 6 additional days were also announced throughout the year.

PRODUCERS – QUOTA BY REGION – 2023¹

Region	Number of producers	Quota (kg of BF/day)	Young farmers ²			
			Before August 1, 2002		After August 1, 2002	
			Number of producers	Quota (kg of BF/day)	Number of producers	Quota (kg of BF/day)
01 – Estrie	422	44,410.35	103	106.60	59	168.10
02 – Capitale-Nationale–Côte-Nord	120	10,088.50	45	45.50	20	44.50
03 – Gaspésie-Les Îles	11	712.52	3	2.70	0	0.00
04 – Lanaudière	153	12,666.62	49	52.80	19	45.10
05 – Mauricie	174	15,592.44	59	61.80	25	60.70
06 – Outaouais-Laurentides	172	16,269.11	55	55.80	19	62.20
07 – Centre-du-Québec	625	70,230.89	180	187.10	101	250.80
08 – Abitibi-Témiscamingue	88	6,278.79	22	23.60	11	28.30
09 – Chaudière-Appalaches-Nord	544	50,548.04	187	193.00	64	150.00
10 – Chaudière-Appalaches-Sud	458	39,816.02	150	152.80	51	134.90
11 – Bas-Saint-Laurent	514	45,709.63	153	163.10	77	206.10
12 – Saguenay–Lac-Saint-Jean	236	20,869.06	72	80.80	35	91.70
13 – Montérégie-Est	469	49,484.42	162	167.40	47	134.20
14 – Montérégie-Ouest	347	33,251.91	118	120.70	34	63.60
Total	4,333	415,928.30	1,358	1,413.70	562	1,440.20

¹ The data in the table represent the situation as at December 31, 2023.

² The Young Dairy Farmers Assistance Program was created in 1987. It was replaced in 2002 by a new program. In 2020, the terms and conditions of the 2002 program were amended.

³ The loans awarded under the Dairy Farm Startup Assistance Program were increased from 10 kilograms (kg) of butterfat (BF) per day in 2006 to 12 kg of BF per day in 2010. Since the new program was implemented in June 2016, loans are a minimum of 12 kg and a maximum of 16 kg of BF per day. In 2021, under the new terms and conditions, loans went to 20 kg of BF per day.

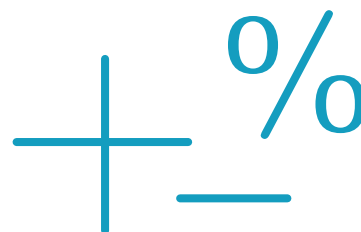
“ Thus, to ensure a better balance between production and demand and in consideration of the lower butter stock projections for 2023 and 2024, quota was increased by 2% for January. ”

CENTRALIZED QUOTA SALES SYSTEM (SCVQ) – QUOTA TRANSACTIONS PER REGION – 2023

Region	Quantity bought (kg of BF/day)	Quantity sold (kg of BF/day)
01 – Estrie	1,197.65	1,273.23
02 – Capitale-Nationale–Côte-Nord	282.85	273.27
03 – Gaspésie-Les Îles ¹	17.25	48.53
04 – Lanaudière	332.78	376.14
05 – Mauricie	406.74	514.22
06 – Outaouais-Laurentides	465.30	525.25
07 – Centre-du-Québec	1,929.28	1,682.20
08 – Abitibi-Témiscamingue ¹	95.52	154.92
09 – Chaudière-Appalaches-Nord	1,269.78	1,159.99
10 – Chaudière-Appalaches-Sud	1,146.39	1,069.30
11 – Bas-Saint-Laurent	1,317.76	1,182.76
12 – Saguenay-Lac-Saint-Jean	703.65	517.28
13 – Montérégie-Est	1,235.93	1,686.48
14 – Montérégie-Ouest	797.42	735.00
Total²	11,198.30	11,198.57

¹ For the Gaspésie-Les Îles and the Abitibi-Témiscamingue regions, the purchased quantities include the maximum quantities allocated for their priority of purchase, which are 0.00 and 73.47 kilograms (kg) of butterfat (BF) per day respectively.

² To balance the offers to buy with the offers to sell, the adjustment reserve bought 0.39 kilograms of butterfat per day.



Saleable quota

+ 2% January

Non-saleable quota related to events beyond the control of producers

January to June = **1.00%**

July to December = **1.00%**

The percentage issued is reviewed on January 1 and July 1 of every year. It is determined based on the average quota available in the underproduction reserve for circumstances beyond the control of producers during the six previous months.

After May 1, 2020		Dairy farm startup ³ Since August 1, 2006	
Number of producers	Quota (kg of BF/day)	Number of producers	Quota (kg of BF/day)
59	496.00	6	68.84
14	116.00	2	26.62
1	10.00	2	27.52
17	146.00	0	0.00
26	216.00	2	26.12
13	106.00	5	68.95
79	688.00	12	167.96
7	68.00	10	91.85
81	708.00	14	154.17
55	476.00	12	150.39
74	642.00	11	139.05
32	290.00	7	62.32
69	592.00	5	55.42
43	386.00	3	40.12
570	4,940.00	91	1,079.33



Young dairy farmers assistance

Under the Young Dairy Farmers Assistance Program:

Loan for **6 kg** of BF per day

25 compliant applications

Total of 150 kg of BF per day

Loan for **8 kg** of BF per day

60 compliant applications

Total of 480 kg of BF per day

Loan for **10 kg** of BF per day

77 compliant applications

Total of 770 kg of BF per day

ADDITIONAL PRODUCTION DAYS – 2023

Month	Regular milk	Organic milk
January	0	0
February	0	0
March	0	0
April	0	0
May	1	1
June	1	1
July	1	1
August	0	0
September	1	1
October	1	1
November	1	1
December	0	0
Total	6	6

Quota transfer rules

Producers may apply to the Régie des marchés agricoles et alimentaires du Québec (RMAAQ) to request a review of a decision rendered by Les Producteurs de lait du Québec or to be exempted from provisions of the By-Law respecting quotas for milk producers. **In 2023, the RMAAQ analyzed 25 applications for exemption that had been submitted to it.** They concerned the rules that apply to relocating, transferring quota, temporary transfers, and the assistance programs for young dairy farmers and dairy enterprise startups.

Startup assistance

In 2023, Les Producteurs de lait du Québec granted a startup assistance loan to 5 enterprises that were deemed eligible for the Dairy Farm Startup Assistance Program. Loans were granted in the following regions: Mauricie, Centre-du-Québec, Chaudière-Appalaches-Sud and Bas-Saint-Laurent.

SCVQ – 2023

Month	Quota price (\$/kg of BF/day)	Bids to buy (kg of BF/day)	Offers to sell (kg of BF/day)
January	24,000.00	17,270.42	978.05
February	24,000.00	17,510.67	1,539.11
March	24,000.00	17,991.77	985.13
April	24,000.00	18,367.08	623.70
May	24,000.00	18,566.92	875.23
June	24,000.00	17,976.12	827.66
July	24,000.00	17,610.61	874.08
August	24,000.00	17,195.31	753.68
September	24,000.00	16,905.96	888.13
October	24,000.00	16,588.21	1,063.98
November	24,000.00	16,195.45	1,052.58
December	24,000.00	16,484.11	737.24

The quota price ceiling in effect during the year is \$24,000 per kilogram (kg) of butterfat (BF) per day.

Quota maintenance

Les Producteurs de lait du Québec authorized 49 producers to keep their quota or transfer it temporarily in whole or in part (4 due to disease among their dairy cows, 32 due to the disability or death of a farmer, 13 due to an event beyond their control that caused damage to animal housing).

Milk Allocation and Transportation

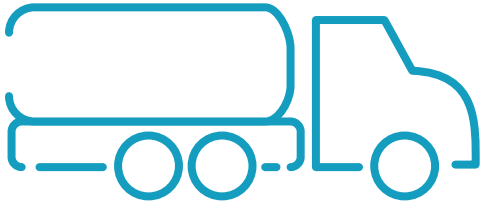
The Milk Allocation and Transportation Section of the Milk Management Department oversees the administration of the rules and programs associated with the transportation and supply of milk to plants. It receives the orders from the plants, creates the daily allocation plan, and distributes the plan to transporters. It is responsible for updating milk transportation contracts annually in accordance with the Milk Transportation Agreement between Les Producteurs de lait du Québec, the Association des transporteurs de lait du Québec, Prolait Transport, Agropur Cooperative and Nutrinor Cooperative.

Transportation cost pooling

This was the 25th year that transportation costs have been pooled by the provinces who signed the Agreement on Eastern Canadian Milk Pooling (P5). The cascading delivery model (shipments from east to west) continues to be applied in an effort to optimize transportation costs associated with interprovincial milk transportation requirements.

Transportation contract transfers and changes

Every year, the Department performs and approves transfers between transportation contracts to ensure that optimum equipment use objectives are met. **Changes included transfers between 13 contracts.**



Quebec’s contribution to the transportation pool

2023 = \$1.47 million,
 or the equivalent of **\$0.042 per hectolitre**
2022 = \$3.58 million,
 or the equivalent of **\$0.103 per hectolitre**

Although transportation costs rose in every province in 2023, Quebec saw a substantial increase compared to previous years. A portion of this increase can be attributed to amounts that were paid retroactively to transporters due to amendments made to the Milk Transportation Agreement. These higher costs in Quebec have a downward effect on the contribution to transportation cost pooling.

TRANSPORTATION COST – AVERAGE COST PER HECTOLITRE		
	P5 Pool \$/hl	Quebec \$/hl
2023	3.583	3.542
2022	3.364	3.259
2021	2.836	2.617
2020	2.749	2.572
2019	2.781	2.578
2018	2.697	2.499
2017	2.619	2.427
2016	2.566	2.451
2015	2.625	2.522
2014	2.736	2.623

Milk use in Quebec - 2023



43%

Cheese



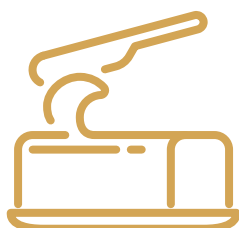
11%

Yogurt and ice cream



18%

Milk and cream



28%

Butter and milk powder

STATISTICS ON MILK TRANSPORTATION CONTRACTS

Vehicule type	Number	Route	2023			2022			Annual kilometres	Annual kilometres
			Volume subject to rate formula		Annual kilometres	Volume subject to rate formula		Annual kilometres		
			Litres	%		Litres	%			
Tank truck, 12 wheels	33	99	287,983,390	8.20	2,340,763	34	102	292,889,732	8.69	2,534,159
Tank, 3 axles	20	43	206,692,563	5.88	1,878,217	23	47	225,214,822	6.68	1,935,668
Tank, 4 axles	261	521	3,019,009,243	85.92	26,050,397	243	490	2,853,533,908	84.63	28,262,388
Total	314	663	3,513,685,196	100.00	30,269,377	300	639	3,371,638,462	100.00	32,732,215

MILK PROCESSING PROFILE IN QUEBEC^{1,6}

	2023		2022		2021		2020		2019	
	Number	% of milk	Number	% of milk	Number	% of milk	Number	% of milk	Number	% of milk
Large dairy enterprises ²	3	79.37	3	79.43	3	79.72	3	80.06	3	80.97
Medium dairy enterprises ³	34	20.11	38	20.11	37	19.84	35	19.45	37	18.55
Small dairy enterprises ⁴	62	0.53	59	0.47	57	0.45	58	0.49	54	0.48

PROCESSING BY REGION

	2023		2022		2021		2020		2019	
	Number of plants	% of milk	Number of plants	% of milk	Number of plants	% of milk	Number of plants	% of milk	Number of plants	% of milk
Central regions	89	91.24	91	91.28	88	91.29	85	91.30	84	91.23
Outlying regions ⁵	28	8.76	27	8.72	28	8.71	28	8.70	27	8.77
Quebec	117	100.00	118	100.00	116	100.00	113	100.00	111	100.00

1 Dairy enterprises in operation during the year.

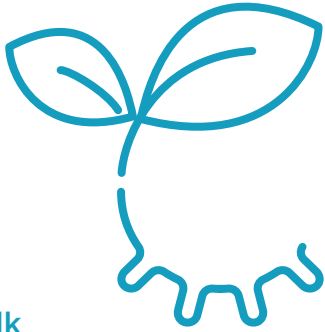
2 Dairy enterprises with daily milk purchases exceeding 900,000 litres.

3 Dairy enterprises purchasing more than 1,000,000 litres annually and less than 700,000 per day.

4 Dairy enterprises purchasing less than 1,000,000 litres annually.

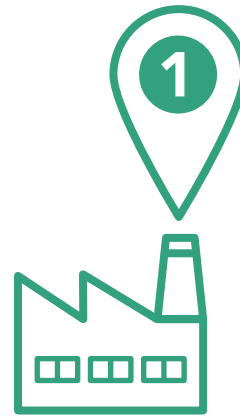
5 The outlying regions include Abitibi-Témiscamingue, Saguenay-Lac-Saint-Jean, Gaspésie-Les Îles and Bas-Saint-Laurent, as defined in the milk marketing agreements.

6 In 2023, 25 producer-processors transformed 7.7 million litres. A producer-processor is defined as follows: a producer holding a dairy factory operating permit and using, for this purpose, the milk from their own herd.



Organic milk

140 certified organic milk producers produced **71.5 million** litres of milk. Of this number, 125 producers form group A and 15 producers group B. The milk produced by group B producers is not marketed in the organic market due to insufficient demand. In addition, 6 producers are on the no-premium waiting list. Just over **77%** of the milk that received a premium was processed for organic market needs. The milk was picked up by **14 transporters** and brought to **17 Quebec plants**, including 6 producer-processors.



New plants

The Department organizes and plans the supply of milk to new plants. **A plant** launched operations in 2023. It was 9105-0112 Québec Inc. (Le Chant des fromages).

Niche markets and organic milk

Les Producteurs de lait du Québec organizes special milk pickup routes to encourage the development of niche markets, such as the organic milk market.

Other smaller routes meet specific needs: kosher milk, milk from dry-hay-fed herds, and milk from Jersey or Canadienne herds.

Partial shipments and road network

Les Producteurs de lait du Québec covers the first \$60 of the cost of a partial load. These costs are in addition to the costs set out in the transportation contracts and are covered by the transportation pool. These operations are meant to fill orders by small dairy enterprises. **The cost of partial loads was \$553,493 in 2023.**

Transporters billed \$530,752 for detours not covered in milk transportation contracts. All of these detours were checked based on the start and end dates of construction sites that were sent by the Ministère des Transports du Québec.

Diesel fuel

The rates paid to transporters varied according to the fuel price indexation clause set out in the Milk Transportation Agreement. Indexing is based on a monthly survey conducted by the Régie de l'énergie du Québec. **The average cost of diesel is stable, up 0.7% in 2023.**

Thaw period

The thaw period on Quebec's road network, which usually ends in May, has a statutory period of 61 days in three different geographical zones. In 2023, the thaw period effectively lasted 40 days in zone 1, 54 days in zone 2, and 40 days in zone 3. **This represents around \$996,000 in savings compared to the budgeted cost.**

Quality Control

The Quality Control Section of the Milk Management Department ensures the application of the standards set out in the milk marketing agreements and the improvement of the quality of milk delivered by dairy producers.

New grader training

The Department participated in training a total of 69 new milk graders at the Institut de technologie agroalimentaire de Saint-Hyacinthe.

Quality premiums

1. Les Producteurs de lait du Québec premium

Results equal to or lower than 20,000 TB and 200,000 SC per millilitre

- **3,579 producers received the \$0.50 per hectolitre premium at least once.**

2. Organic premium

Results equal to or lower than 15,000 TB and 250,000 SC per millilitre

- **76.0% of certified organic milk producers received the specific quality premium for organic milk at least once**

3. Premium set out in the milk marketing agreements

Results equal to or lower than 15,000 TB and 150,000 SC per millilitre

- **2,618 producers received the \$0.1550 to \$0.2419 per hectolitre premium at least once**

The premium is funded equally by producers and processors (3¢/hl each). It is paid on a monthly basis to each qualifying producer when Quebec's average has been equal to or lower than 250,000 SC per millilitre during the reference period. The premium will continue in 2024 because Quebec's weighted average for the reference period from December 2022 to November 2023 was 175,657 SC per millilitre.

Suspension of pickup

Pickup was suspended for 21 producers who accumulated four or more penalties for total bacteria or somatic cells over a rolling 12-month period.

Intervention protocol

Les Producteurs de lait du Québec commissions Lactanet and its milk quality advisors to guide producers with milk quality problems on their farms in their search for solutions. **In 2023, 627 farm visits were made, in addition to telephone calls, for the purpose of providing advisory services.** It should be noted that Agropur Cooperative provides these services to its members, in accordance with the milk marketing agreement.



Total bacteria (TB)

Milk that met the standard:

97.57% in 2023

97.55% in 2022

Somatic cells (SC)

Milk that met the standard:

99.38% in 2023

99.51% in 2022

Milk adulteration by water

Milk that met the standard:

99.72% in 2023

99.78% in 2022

STRATIFICATION OF MILK QUALITY

Analysis results		2023	2022	2023	2022
		% volume	% volume	% analyses	% analyses
Total bacteria count	1 to 15,000/ml	56.13	57.55	54.49	56.12
	15,001 to 50,000/ml	34.73	33.69	36.02	34.82
	50,001 to 121,000/ml	6.71	6.31	6.99	6.54
	more than 121,000/ml	2.43	2.45	2.50	2.52
Somatic cell count	1 to 100,000/ml	15.29	15.76	14.14	14.67
	100,001 to 200,000/ml	51.67	53.14	48.54	50.14
	200,001 to 300,000/ml	25.68	24.83	27.83	26.81
	300,001 to 400,000/ml	6.74	5.78	8.38	7.42
	more than 400,000/ml	0.62	0.49	1.11	0.96

AVERAGE ANALYSIS RESULTS

	2023	2022	2023	2022
	Weighted average	Weighted average	Arithmetic mean	Arithmetic mean
Total bacteria count/ml	24,981	24,626	25,640	25,218
Somatic cell count/ml	176,294	172,527	184,713	180,799

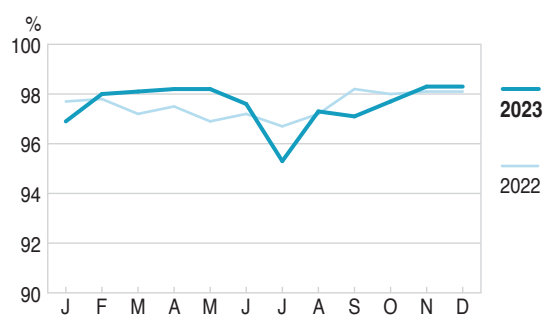
QUALITY REQUIREMENTS – 2023

Analysis	Standard
Total bacteria count	121,000 IBC ¹ /ml – Notice at 50,000 IBC/ml
Bacteria after pasteurization	7,000 CFU ² /ml
Somatic cell count	400,000 SC/ml – Notice at 350,000 SC/ml
Adulteration by antibiotics	Negative
Adulteration by water	Freezing point with limit of -0.507°C
Adulteration by antiseptics	Negative
Sediments	No sediments
Smell	No bad smell
Temperature	4°C maximum
Taste	No bad taste
Falsification (fraudulent alteration of composition or quality of raw milk)	No falsification allowed

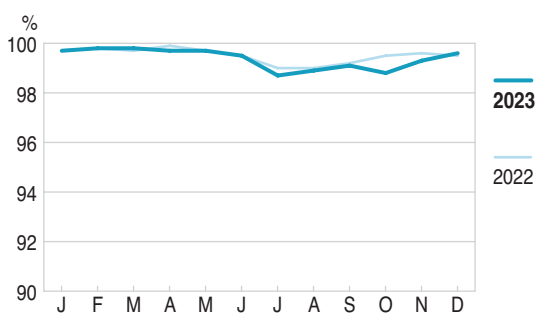
1 Individual bacteria count

2 Colony forming units

MILK CONFORMING TO STANDARD – TOTAL BACTERIA COUNT



MILK CONFORMING TO STANDARD – SOMATIC CELL COUNT



Lait'xcellent recognition program

The Lait'xcellent program recognizes the work and commitment of producers who have succeeded in consistently delivering the best quality milk. Every year, Les Producteurs de lait du Québec awards trophies and cash prizes to Québec's three winners and three winners in each region. Certificates are also presented in recognition of producers who attain outstanding milk quality goals over the course of the year.



2023

441 "Very Great Distinction" certificates¹

643 "Great Distinction" certificates²

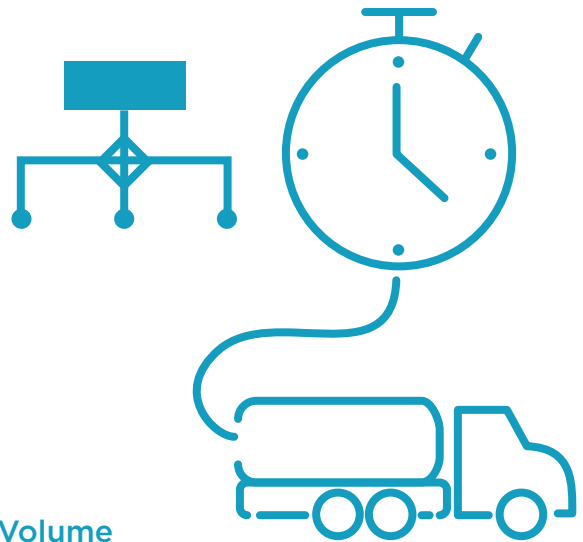
223 "Improvement" certificates³



- 1 Average less than 10,000 TB and no result greater than 30,000 TB
Average less than 150,000 SC and no result greater than 250,000 SC
- 2 Average less than 25,000 TB and no result greater than 40,000 TB
Average less than 200,000 SC and no result greater than 250,000 SC
- 3 Certificates for producers whose milk quality results improved by at least 20% compared to 2022

Technical Controls

The Technical Controls Section of the Milk Management Department is responsible for ensuring that composition tests and volume measurements are consistent with the milk shipped by producers and paid for by the plants.



Volume

96% of the milk volume received by plants was measured by an approved meter.

Milk composition (butterfat, protein, lactose and other solids)

96% of the milk was sampled at plants, for the purposes of their milk payments, using an approved sampler.

Difference between the volumes measured at the farm and at the plant

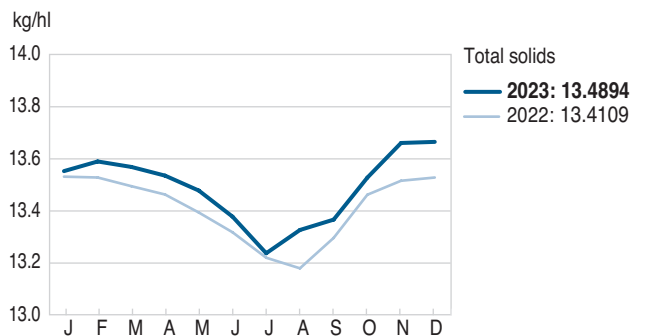
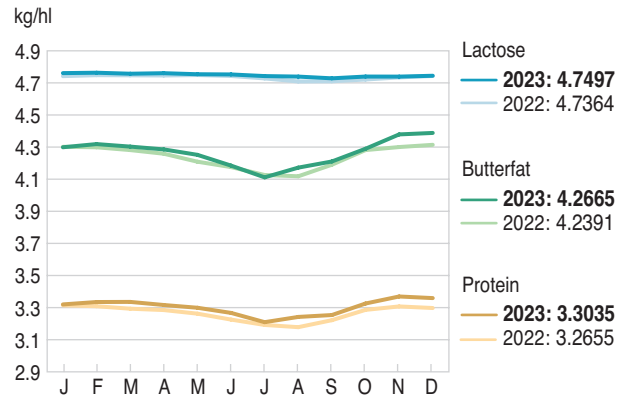
A number of measures are implemented to enable staff members, in collaboration with milk transporters, to keep the difference as low as possible between the volume measured on farms and the volume received at plants according to the meter. Some of these measures include regular visits to inspect the meters and automatic samplers during calibrations at plants. Calibration checks are also conducted on the bulk tanks of producers who request them or on pickup routes that show significant variations. **In 2023, the difference was 0.11%, compared to 0.12% in 2022.**

Management of the sampling and testing program results

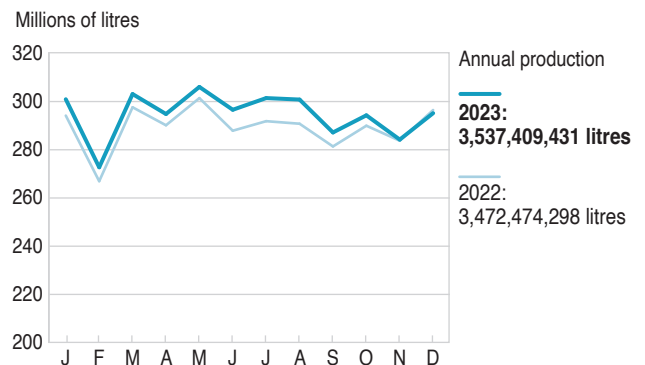
Throughout the year, follow-ups were carried out on an ongoing basis with milk transporters, dairy plants and the laboratory to ensure that sampling programs were operating smoothly.

In 2023, **809,547 test results** (790,805 official results and 18,742 rejections, which make for a 2.3% rejection rate) and 113,713 tank results were checked for milk payment and billing purposes. Additionally, **207,468 milk quality (bacteria) samples** were processed. Of that number, 12,020 were canceled because of a rejection code, which means that 5.79% of the samples were rejected.

MONTHLY TEST – WEIGHTED AVERAGE



MONTHLY MILK PRODUCTION VOLUME



ProAction

The Milk Management Department implements and coordinates the proAction program in Quebec. It follows up the validations and ensures that producers are registered. It informs producers of the program requirements through training sessions, by updating the **proaction.quebec** website and by drafting articles for *Le producteur de lait québécois* magazine.

Validation process

The validation cycle takes place over two years: A full validation is performed in the first year and a self-declaration form is submitted in the second. To keep the registration process compliant, a random sample of the producers who submitted a self-declaration form during the year receives an on-farm validation. Furthermore, a new pilot project was created in 2022 to monitor the proper application of corrective measures. This pilot project was also conducted in 2023 and will continue in 2024.

The amount for the on-farm validation, which is covered by Les Producteurs de lait du Québec, went from \$240 to \$257 in 2023.

Management of unregistered producers

In accordance with the resolution adopted in April 2021 by the delegates of Les Producteurs de lait du Québec, milk pickup was suspended for a minimum 6-day period for 7 producers because they were not registered with the proAction program on August 1, 2023. Since August 1, 2023, all milk marketed comes from registered farms.

Validators

Each provincial organization is responsible for organizing and providing registration services for the proAction program. Les Producteurs de lait du Québec commissions Lactanet to carry out on-farm validations. **In 2023, two new validators were trained.**

Les Producteurs de lait du Québec also makes sure to follow up with validators in view of helping them obtain and keep their accreditation with Dairy Farmers of Canada.

Animal assessments by Holstein Canada

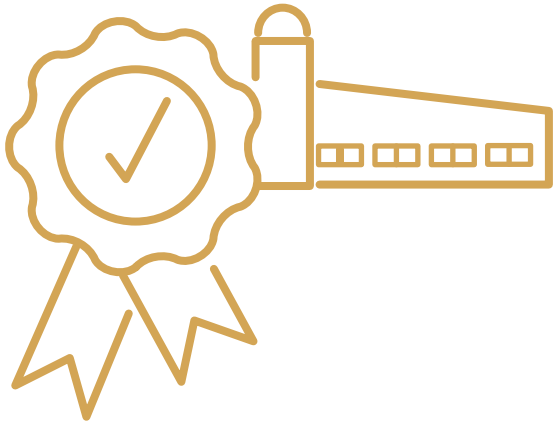
Les Producteurs de lait du Québec continued to work with Holstein Canada on the assessment of the body condition, injuries (hock, knees and neck) and animal mobility. This assessment is a requirement of the animal care module and must be carried out prior to the on-farm validation.

ProAction Guidance service

Lactanet continued to provide the proAction Guidance service to producers who wanted to receive assistance in completing the pre-requisites for their registration. Les Producteurs de lait du Québec covers the cost of the first two hours of this service. **In 2023, the organization assumed the cost of 842 hours of guidance for 584 producers.**

Internal audit

In 2023, Les Producteurs de lait du Québec, as the provincial administrator of the proAction program, was subject to an internal audit process by Dairy Farmers of Canada. The objective was to verify the efficiency of the registration system and the consistency of the individuals who administer and coordinate the program in Quebec. The audit results confirmed that the proAction program was soundly managed by the organization.



2,380 enterprises were visited for a full validation

2,074 enterprises submitted a self-declaration by form

As at December 31, 2023:

4,329 active dairy enterprises were **registered with the proAction program, i.e. 100% of the volume of milk produced**



As at December 31, 2023:

15 validators were accredited in Quebec

This year, during the on-farm validations:

11 validators were supervised by Les Producteurs de lait du Québec



WHY PROACTION?

Thanks to the proAction program, milk producers can be sure that they meet the needs of buyers and avoid multiple programs and various on-farm audits. ProAction certifies that producers apply best practices on their farms in the areas of milk quality, animal care, food safety, biosecurity, traceability and protection of the environment.

This registration program is an ideal way to guarantee buyers and consumers that every effort is being made to meet their demands and remind them that all milk produced in Canada is subject to strict standards. This continuous improvement process can be recognized through the “Canadian Quality Milk” logo with the blue cow, which conveys the message that a lot of work has been done to comply with these high milk production and quality standards. The image reminds consumers that milk producers are helping to ensure a healthy and sustainable future and calls for their solidarity in encouraging local milk producers.

SUSTAINABLE DEVELOPMENT STRATEGY OF LES PRODUCTEURS DE LAIT DU QUÉBEC

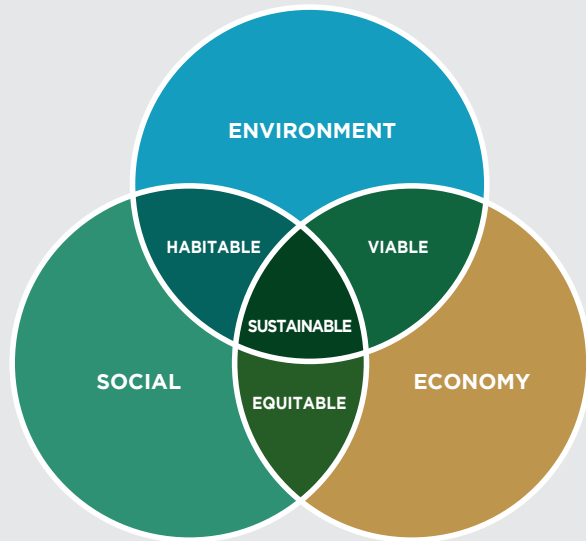
In 2021, Les Producteurs de lait du Québec began to work with the Chair in Eco-Consulting at the Université du Québec à Chicoutimi on evaluating its planned sustainable development actions based on the United Nations' (UN) targets and goals.



WHAT IS SUSTAINABLE DEVELOPMENT?

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

World Commission on Environment and Development (WCED, 1988)



SUSTAINABLE DEVELOPMENT GOALS

The UN adopted 17 sustainable development goals (SDGs) that are each accompanied by targets based on the three pillars of sustainable development. It should be noted that not all of these targets apply to Les Producteurs de lait du Québec.



GOAL OF THE MILK PRODUCERS' EFFORTS

Mobilize and involve the dairy industry and its partners in ensuring responsible dairy production that contributes to the fight against climate change and makes a growing economic and social contribution.



RESULTS OF THE ANALYSIS

The Chair in Eco-Consulting at the Université du Québec à Chicoutimi analyzed¹ the extent to which sustainable development was incorporated into the activities Les Producteurs de lait du Québec.

The analysis highlighted four effective actions that can be considered strengths of the organization in the environmental, social and economic dimensions of sustainable development.

¹ Chair in Eco-Consulting of the Université du Québec à Chicoutimi (2023). Les Producteurs de lait du Québec Sustainable Development Process and Analysis (in French only), 87 p. (<https://lait.org/developpement-durable>)

RESEARCH AND INNOVATION

“Les Producteurs de lait du Québec encourages research and innovation (R&D). R&D promotes the transfer and appropriation of more productive agricultural practices and optimizes natural resource use in accordance with sustainable agriculture criteria. Its benefits and effects are disclosed and distributed to members.”



**\$69.8 million in
140 projects** by Novalait
since 1995

SUPPLY MANAGEMENT

“Dairy supply management ensures the production of high-quality local food and provides producers with a stable and equitable income. The cornerstones of this system are production and import management and a guaranteed stable income for producers. The proceeds from milk sales are pooled by producers who care a great deal about the quality of the milk they market. Furthermore, by managing production, resource waste is significantly reduced, which in turn decreases its environmental impact.”



65,998 job*
generated by the dairy
industry

* Includes direct, indirect and induced jobs.

PIB
\$6.1 billion
contributed to the GDP

DONATIONS AND SPONSORSHIPS

“Les Producteurs de lait du Québec is actively involved in its community, particularly through its donations and sponsorships, which serve as examples of its social responsibility efforts. It gives due consideration to producers and consumers and adjusts its actions based on their needs on an ongoing and annual basis across Quebec.”



350 provincial events

Nearly **500** supported organizations



Nearly **9 million** milk cartons through the milk-school program in **600** elementary schools



Nearly **2,600 kg** of cheese for fundraising events by organizations

WEALTH CREATION AND MARKET ACCESS

“The commitments of Les Producteurs de lait du Québec foster the economic development of its members and Quebec society. The organization’s strength lies in its mission, which is to bring together Quebec milk producers in marketing high-quality milk that meets the expectations of society, and ensure the sustainable development of dairy farms. Thus, the initiatives taken by Les Producteurs de lait du Québec enable its members to gain access to a stable market and collectively share the risks involved in marketing a highly perishable product.”



Dairy Enterprise Startup

144 new farms started since the launch of the program in 2006



Young Dairy Farmers Assistance

More than 7,000 quota loans issued since the launch of the program in 1986

2023-2027 SUSTAINABLE DEVELOPMENT ACTION PLAN

After the analysis, milk producers and dairy industry partners were surveyed to help prepare the 2023-2027 Sustainable Development Action Plan. This consultation sought to confirm the findings of the analysis and the target prioritization efforts, determine what was needed to achieve the goals, ensure the feasibility of the actions proposed to reach the plan's goals, and clarify producers' and partners' expectations along those lines. The Plan was unanimously adopted by producers in April 2023 and centres on three major themes.



ECONOMIC AND SOCIAL CONTRIBUTION

GENERAL GOALS

SPECIFIC GOALS

Support supply management as a sustainable collective marketing model

- Participate in setting up a business environment that promotes profitable and sustainable farms
- Keep the wealth fairly distributed in the industry
- Maintain equity between producers
- Maintain collective risk management and support programs

Keep farms in all regions to contribute to rural economic development

- Help keep farms sustainable in every region of Quebec
- Promote the supply of a skilled and trained workforce
- Inventory producers' community service activities outside their farms
- Support organizations that make efforts to maintain laws and mechanisms that protect agricultural lands

Promote healthy lifestyles

- Support Quebec organizations that share sustainable development values
- Support organizations that help producers
- Promote the importance of healthy, sustainable food and exercise to Quebecers

RESPONSIBLE AGRICULTURE

GENERAL GOALS	SPECIFIC GOALS
Use natural resources efficiently on dairy farms	Optimize water management on farms by complying with the principles of reducing, reusing and conserving
	Transfer knowledge and assess the adoption rate of soil management practices that promote the health and conservation of cropland and the quality of harvested food
Reduce the impact of dairy production on the environment	Encourage sound management of agricultural waste and plastics
	Document practices that encourage the conservation of biodiversity and ecosystems and their adoption rates
	Adjust the raw milk production level to demand as effectively as possible
	Use inputs wisely
Optimize herd management	Promote the continuous improvement of animal health and well-being
	Produce nutritious, high-quality milk

THE FIGHT AGAINST CLIMATE CHANGE

GENERAL GOALS	SPECIFIC GOALS
Continuously improve dairy farms' greenhouse gas (GHG) performance with the goal of achieving net-zero emissions by 2050	Reduce enteric methane emissions and GHGs from manure and soil
	Update knowledge and compare practices that promote carbon sequestration on dairy farms
	Understand the environmental impact of various milk transportation optimization strategies
Adapt to climate change	Transfer knowledge and assess the adoption rate of practices that promote adaptation to climate change
	Participate in implementing decision support tools that promote adaptation to climate change, particularly for agricultural practices
	Foster access to resources that provide guidance to producers

SUSTAINABLE

The 2023-2027 Sustainable Development Action Plan aims to provide the organization with a clear framework for steering its future actions on environmental, social and economic issues.

It serves as a guide for steering research and training needs, equipping producers to achieve the set goals, and creating dialogue between dairy producers and society in the interest of reaching a better mutual understanding between them.

Based on the research findings, the training activities offered, and the available tools and tools being developed in connection with the plan, producers will be encouraged to reinforce certain actions or start taking new actions on their farms.





LABORATOIRE — VIVANT — Lait carboneutre

CARBON-NEUTRAL MILK LIVING LABORATORY

Goal – Assist milk producers in the process of co-developing carbon sequestration and GHG emissions reduction practices on participating farms.

- 20 farms in Quebec
- 38 researchers
- 2023-2028
- Joint project with Agriculture and Agri-Food Canada, Agrinova, ICIARC, Novalait, Université Laval and UPA Montérégie



METHANE ESTIMATION PROJECT

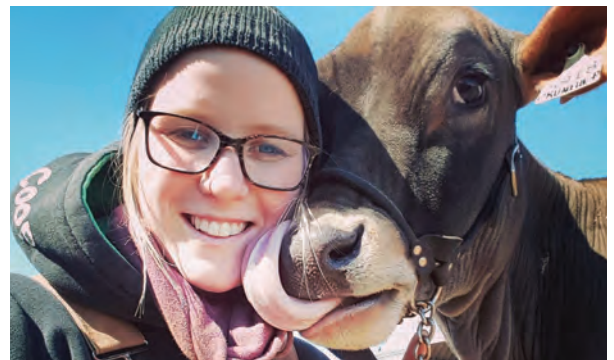
Goal – Estimate the quantity of enteric methane emitted by all dairy cattle in a herd based on an analysis of milk from the bulk tank.

- Reduce methane emissions from enteric fermentation in dairy herds by 14% to 16% for each kilogram of milk produced
- 2023-2027
- Joint project with Valacta (Lactanet) and financial support from the Quebec government as part of its 2030 Plan for a Green Economy.

Since milk producers are the heart of the 2023-2027 Sustainable Development Action Plan, the efforts made to implement the plan will consider the availability of skilled workers and the impact of the proposed actions on producers' quality of life and mental and physical health.

To achieve the goals, Les Producteurs de lait du Québec is focusing on the strengths of local producers and their desire to innovate.

Together, for sustainable development.



ECONOMIC STUDIES

The Economic Studies Department advises the officers of Les Producteurs de lait du Québec on policies and issues concerning the dairy industry. To fulfill this mandate, the Department must conduct studies and analyses and draft explanatory documents to guide the organization's various bodies and strategies. The Department represents the organization on a number of committees at both the Quebec and Canadian levels.



Florence Bouchard Santerre, Director, Economic Studies Myriam Falcon, Agronomy Advisor
Chantal Fleury, Agronomie Assistant Director, Economic Studies, Agronomy Rock Éric Hounhouigan, Agroeconomist Jérôme St-Pierre, Economist

HIGHLIGHTS OF THE YEAR

Promising sustainable development actions

The 2023-2027 Sustainable Development Action Plan of Les Producteurs de lait du Québec was adopted in April 2023. Since then, work is still being done to implement it. At a meeting with partners from all horizons in October 2023, the Plan was presented, aspects of its implementation were prioritized, confirmed and enhanced, and potential partnerships were identified for its execution. The expertise of the Sustainable Development Department was also put to good use at the national and provincial levels for various committees that are working to prepare producers and their advisors for dairy production in line with the Plan's goals.

Furthermore, Les Producteurs de lait du Québec obtained major financial support from governments to conduct development projects for the purpose of achieving net-zero carbon emissions. Under the Quebec government's 2030 Green Economy Plan, a 5-year project

will be carried out to provide producers with an estimate of the enteric methane emitted by their herds using milk samples collected on their farms. Valacta has been asked to run this project. The Carbon-Neutral Milk Living Laboratory project was selected by the federal government to improve the carbon balance on dairy farms through a co-development initiative between 20 Quebec dairy farms, researchers and other consulting service partners. Novalait is responsible for this development project, where producers will test various practices related to soil, crops, herds and manure in the next five years.

Finally, projects in connection with the improvement targets for soil health and conservation, fertilizer management and biodiversity, which resulted from the Quebec government's 2020-2030 Sustainable Agriculture Plan, took shape in 2023 and will be rolled out in 2024, through training activities on forage plants and instructive video clips on other topics.

October 11, 2023:

Meeting of sustainable development partners.

37 organizations from dairy, environmental, social, and economic sectors participate in a day of exchange on the sustainable development Plan of Les Producteurs de lait du Québec



Support for sustainable development projects

The government of Quebec **invests \$3.6 million** in a five-year project aimed at estimating enteric methane emissions using milk samples



The government of Canada invests **up to \$7 million** in the Carbon-Neutral Milk Living Laboratory project to improve the carbon balance on dairy farms



Processing capacity

In collaboration with General Management and various partners, a range of analyses were performed to establish and update assumptions about changes in the markets, in Canadian dairy production, on Quebec dairy farms and in structural surpluses of solids non-fat. These assessments were useful to provincial work on the Fund for the Improvement of Milk Marketing Conditions, the 2023-2030 Strategic Plan of Les Producteurs de lait du Québec, and the development of the Market Growth Program at the national level.

Publication of the Code of Practice for the Care and Handling of Dairy Cattle

The review of the Code of Practice for the Care and Handling of Dairy Cattle (Code), which wrapped up in December 2022, resulted in the publication of the new Code in March 2023. This new Code was based on the numerous comments made during the public consultation held in 2022. Several publications in *Le Producteur de lait québécois* magazine, conferences, webinars and meetings with stakeholders were helpful in informing the entire industry about the requirements that will need to be applied on farms in the coming years. Efforts to incorporate the changes to the Code in the proAction program have begun and will continue in 2024.



Price of milk adjusted

February 1, 2023

- 2.2% for Classes 1 to 4, excluding ingredients
- estimated effect of around \$1.74/hectolitre

May 1, 2024

- 1,77 % for Classes 1 to 4, excluding ingredients
- estimated effect of around \$1.53/hectolitre

Adjustment of the farm gate price

The 2.2% price adjustment on February 1, 2023 announced in November 2022 represented the remainder of the increase for the year, after the exceptional 2.5% advance on September 1, 2022. This adjustment was expected due to high costs, mainly for animal feed, energy and fertilizers.

When prices were indexed annually for 2024, the Canadian Dairy Commission (CDC) announced a 1.77% adjustment effective on May 1, 2024, rather than on February 1, due to the inflation faced by Canadian consumers, while acknowledging that the price paid to producers was only part of the price of feed. The decision was made after the CDC consulted with stakeholders, including Dairy Farmers of Canada, which asked for the increase to be postponed.

OTHER ISSUES AND ACCOMPLISHMENTS

Pooling agreements and national issues

The Department continued to work closely with the Director of Business Development on monitoring and advancing the pooling agreements and managing the National Milk Marketing Plan. In 2023, efforts were specifically focused on managing solids non-fat, mainly through the Market Growth Program, but also on evaluating the national pooling of transportation costs and the establishment of a new method of sharing market growth between regional pools.

P5 Quota Committee

The committee continued its activities in 2023, which strive to achieve a balance between production, demand and rebuilding butter stocks. The committee used market and production development analyses to adjust producers' production entitlement so that it met these objectives.

Research and transfers

The Department continued its involvement in research and development, particularly by sitting on the board of directors of Novalait Inc. and its various provincial and national committees. As far as knowledge transfers are concerned, the Department worked closely with Lactanet and industry partners and helped hold events related to technology transfers. The team also sat on various committees and participated in activities resulting from the strategic planning initiative for the dairy industry, particularly concerning market development, the reduction of environmental impacts, and performance indicators.

Through the Les Producteurs de lait du Québec agronomic, research and proAction issues committee, which is mandated to monitor and provide guidance on agronomic issues, the team coordinated the organization's participation in various consultations on regulations in connection with dairy production and the development of the proAction program. It is part of various national development and implementation committees for the program.

PRODUCTION AND PRODUCERS, BY REGION, AS AT DECEMBER 31, 2023

Region	Total production		Producers	
	Litres	%	Number	%
01 - Estrie	381,423,165	10.78	422	9.74
02 - Capitale-Nationale – Côte-Nord	85,690,478	2.43	120	2.77
03 - Gaspésie-Les Îles	5,958,922	0.17	11	0.25
04 - Lanaudière	106,704,799	3.02	153	3.53
05 - Mauricie	129,731,787	3.67	174	4.02
06 - Outaouais-Laurentides	133,441,433	3.77	172	3.97
07 - Centre-du-Québec	605,431,527	17.12	625	14.42
08 - Abitibi-Témiscamingue	53,395,358	1.51	88	2.03
09 - Chaudière-Appalaches-Nord	422,825,244	11.95	544	12.55
10 - Chaudière-Appalaches-Sud	336,089,811	9.50	458	10.57
11 - Bas-Saint-Laurent	390,874,569	11.05	514	11.86
12 - Saguenay – Lac-Saint-Jean	170,651,111	4.82	236	5.45
13 - Montérégie-Est	426,016,569	12.04	469	10.82
14 - Montérégie-Ouest	289,174,658	8.17	347	8.01
Total	3,537,409,431	100.00	4,333	100.00

“ The 2023-2027 Sustainable Development Action Plan of Les Producteurs de lait du Québec was adopted in April 2023. Since then, work is still being done to implement it. ”

Finally, efforts were made to monitor a number of agronomic and economic issues. Thanks to the data collection and studies recently carried out, various questions about local and foreign dairy production practices were able to be thoroughly answered.

Provincial issues

In 2023, efforts continued to rally agronomic partners behind the goal of reducing the on-farm ratio of solids non-fat to butterfat (SNF/F ratio). A joint conference between Lactanet and the Centre d’insémination artificielle du Québec (CIAQ) on strategies for improving the ratio and other objectives was developed and will be presented in all regions.

Les Producteurs de lait du Québec was also involved in a range of committees together with various institutional, professional service and knowledge transfer partners for the purpose of developing key projects. It took yet another positive action last year by participating in the development of Quebec’s comprehensive animal health program (PISAQ) campaign on the wise use of antibiotics. The organization continued to carry out various biosecurity-related actions, such as developing a contingency plan for the cattle industry, in collaboration with Les Producteurs de bovins du Québec.

INFORMATION TECHNOLOGY DEPARTMENT

The Information Technology Department oversees the development, implementation, evolution, standardization and management of environments, information technology tools and systems, infrastructures, telephone systems as well as the availability of the systems in service. It works closely with the other departments to continuously improve and update administrative processes and systems. A number of external consultants are helping the team carry out the major project of overhauling the operating system.



Chloé Arsenault, DevOps Developer **Isaac Beaudry**, Network and User Support Officer **Félix Bernatchez**, Programmer Analyst
Benoit Bourgoïn, Director, Information Technology **Claude Daigneault**, Programmer Analyst **Yacine Kébir**, Development Coordinator



Mona Ouellet, Programmer Analyst **Sébastien Richard**, Main System Administrator
Frédéric S. Lebrun, Technical Support **Richard Tremblay**, Database and Application Support Administrator

HIGHLIGHTS OF THE YEAR

Application development and operating system

The highlights of 2023 included the major overhaul of the Goutte 2.1 project's architecture and its initial deliveries. New extranets are being developed and the Information Technology Department of Les Producteurs de lait du Québec is creating the first user committees to ensure that changes are properly aligned on the existing extranet. The Department also purchased over 250 new pocket computers (PDAs¹) for milk transportation and finished delivering a new operating system. The Goutte 2.1 project, including the overhaul of the extranets, is advancing nicely. Some of the challenges to its progress included the high number of projects and difficulties recruiting qualified personnel.

The Department also set up a new policy on IT resource use and implemented new update processes for all IT components.

Infrastructure, office automation and cybersecurity

Work and investments continued in the security enhancement project, which is one of the organization's core priorities for all IT components and environments. Experts collaborated with the team by sharing their knowledge and assisting us in evaluating better practices and other activities. This security and upgrade project will continue throughout the year.

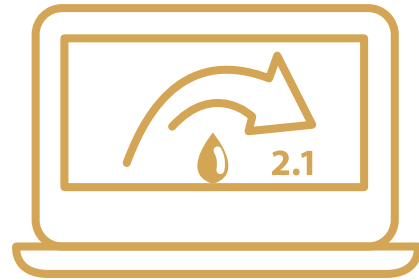
Other projects and accomplishments

- Support and maintenance of service agreements with clients and external providers;
- Overhaul of text messages and emailing for the processing and distribution of results and composition/quality notices;
- Changes to the pricing formula for milk transportation;
- Work on implementing a new contribution for the Fund to improve marketing conditions.

¹ Personal Digital Assistant

Goutte 2.1

A large-scale project aimed at overhauling the operating system



Work and investments continued in the **security enhancement** project



Milk Donations

The Quebec dairy industry's milk and dairy product donation program provides a continuous supply that is planned on an annual basis. Quebec milk transporters and processors also contribute to the program by transporting and processing the donated milk for free, so that the milk and dairy products can be given to community organizations by the Food Banks of Quebec network for distribution to people in need across Quebec.

In addition to the quantities of regular milk donated in the program, Les Producteurs de lait du Québec made special donations of dairy products together with certain processors to meet the specific needs of our communities.

Finally, as the holiday season approached, Les Producteurs de lait du Québec also made donations for Christmas baskets. Food aid is always in high demand at this time of year, but especially this year because of inflation and the higher cost of food.

In addition to these efforts, Les Producteurs de lait du Québec is providing a total of \$50,000 in financial support over 5 years to Food Banks of Quebec's food recovery in supermarkets (PRS) program. This program is designed to reduce food insecurity and waste by rescuing unsold food at supermarkets and bringing it to people who suffer from food insecurity.



The Quebec dairy industry's milk and dairy product donation program

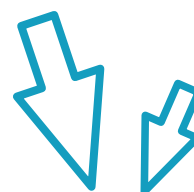
307 producers for a total of **692,443 litres** milk



Special donations of dairy products of **275,248 litres** of milk



Holiday season donations
44,974 litres of milk to
103 organizations across Quebec



TOTAL FOR 2023

1,012,665 litres of milk were donated to the Food Banks of Quebec

COMMUNICATIONS, PUBLIC AFFAIRS AND UNION SUPPORT

The Communications, Public Affairs and Union Support Department is responsible for the organization's internal and external communications and public affairs. It also coordinates and conducts training and union support activities. In this role, it works closely with the other departments and elected officials to support and advise them in these areas.



Sandie Charmeteau, Digital Communications Officer **François Dumontier**, Director, Communications, Public Affairs and Union Support
Audrey Gendron, Editorial Assistant **Yanick Grégoire**, Assistant Director, Communications, Public Affairs and Union Support
Alexandra Perron, Communications Advisor **Marlène Rancourt**, Senior Advisor, Communications, Public Relations and Digital Media

HIGHLIGHTS OF THE YEAR

Government relations

Les Producteurs de lait du Québec defends producers' interests with elected officials, authorities and public servants in the Quebec and Canadian governments. In 2023, meetings were held with federal MPs in conjunction with the Annual Dairy Policy Conference of Dairy Farmers of Canada. Efforts were also made during the electoral campaign in Quebec to promote and ensure the advancement of various issues in connection with dairy production. Some of these efforts included sending a questionnaire to the different party leaders that asked them to clarify several of their electoral promises to producers.

New trade agreements under negotiation, including Mercosur, the Pacific Alliance and the Canada-United Kingdom Free Trade Agreement, were monitored and followed up in 2023. Finally, government relations actions were carried out to ensure passage of Bill C-282 in the House of Commons in June and its progress toward final passage by the Senate.

In-person meeting with federal Members of Parliament

March 21, 2023
46 MPs



Sustainable development plan

During the year, a great deal of effort was made to communicate the adoption of the Sustainable Development Plan by Les Producteurs de lait du Québec. In addition to preparing a communication document describing the Plan, public relations activities were held in connection with the announced financial assistance of the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec for a methane research project and the federal government's announced funding for the Carbon-Neutral Milk Living Laboratory.

40th anniversary of Les producteurs de lait du Québec

In 2023, Les Producteurs de lait du Québec celebrated its 40th anniversary. A communication plan was developed and implemented, a column of articles was published in the magazine, thematic pages were developed, and a photo tribute was exhibited at the Annual General Meeting.



1 Photo tribute exhibited for the organization's 40th anniversary 2 3 of the 10 editions of *Le producteur de lait québécois* magazine in 2023
 3 Logo created for the 40th anniversary 4 Cover of the Sustainable Development Plan 2023-2027 5 Visual for the 2023 brainstorming days
 6 Poster on economic benefits in Quebec in 2023 7 Banner displayed at the 2023 Annual General Meeting

OTHER ISSUES AND ACCOMPLISHMENTS

Reputation management and updates on issues

Les Producteurs de lait du Québec monitors and documents a wide range of issues. From dairy cattle feed, animal care and the environment to social and political issues, a number of subjects are monitored and researched on an ongoing basis to highlight the most recent scientific knowledge. The organization also belongs to a pan-Canadian issue management group that focuses on dairy production and dairy product issues. This group monitors media coverage of these issues and performs crisis management, where necessary.

Media relations

As part of its media relations activities, Les Producteurs de lait du Québec replies to requests from journalists on an ongoing basis, prepares press releases and holds media activities, when necessary, to draw the media's attention to our priority issues.

Communication plans

A number of plans were carried out in 2023 to support the various communication efforts of the organization. These included the sustainable development strategy, the review of the Code of Practice for the Care and Handling of Dairy Cattle, the review of the price paid to producers and for the production of pedagogical material for producers as part of the Quebec government's 2020-2030 Sustainable Agriculture Plan.

Promotion of the profession

In 2023, the Union des producteurs agricoles (UPA) held its Quebec Farm Open House again for one day on September 10. Three dairy farms opened their doors to the public in order to share information on local agriculture and the actions that producers take every day to protect the environment and look after the welfare of their animals. Les Producteurs de lait du Québec also participated in the initiatives of the UPA to promote buying local, by collaborating in the development of the *Mangeons local plus que jamais!* mobile application.

Le producteur de lait québécois magazine

One of the main tasks in communicating with producers is to produce *Le producteur de lait québécois* magazine. The magazine can be consulted during the month in progress, and previous issues can be accessed on the producers' extranet site and at lait.org. Work on adding a digital component to the magazine continued in 2023.

Communication tools

- lait.org website
- Producers' extranet
- *Laitb'do* weekly newsletter
- Annual report
- Supply management brochure

Social Media

- Facebook: @ProdLaitQc
- Daniel Gobeil's Facebook page: @DanielGobeilPLQ
- Instagram: @ProdLaitQc
- Twitter: @ProdLaitQc, @RevueLPLQ
- YouTube, LinkedIn

These platforms are used to meet information needs, explain the organization's work, shed light on the profession and promote supply management and collective marketing. A great deal of attention is paid to visuals and interactivity by giving priority to exciting, exclusive and original content, including videos.

Number of followers

Facebook

Les Producteurs de lait du Québec
20,300

Daniel Gobeil
1,300

X

2,624

Instagram

1,900

LinkedIn

1,706

Youtube

627



Publication on the Facebook page of Daniel Gobeil, Chair of the Producteurs de lait du Québec

“Government relations actions were carried out to ensure passage of Bill C-282 in the House of Commons in June and its progress toward final passage by the Senate.”

Training and union support

Training activities are offered to newly elected officials and the organization’s Board members every year. Meetings with the secretaries of regional groups concerning issues related to their duties are held periodically. The Department works closely with General Management on preparing the organization’s brainstorming days and General Meetings.

Coordination of communications from the Supply Management Movement

The Department continues to perform its task of coordinating the communication activities of the Supply Management Movement (movementgo.ca) with its partners, the UPA and other supply-managed groups.



MARKETING

The Marketing Department is responsible for all French-language advertising programs and promotional activities for the entire family of dairy products across Quebec. Dairy Farmers of Canada is responsible for advertising activities that promote the profession, representing nutrition-related promotional activities with health professionals, research into consumer trends, and performance reports for the various dairy product categories.



Sara Bujold, Senior Marketing Advisor Alyssa Chapleau, Digital Marketing Agent Julie Gélinas, Marketing Director
Élyse Papillon, Marketing Technician Lucy Royer, Administrative Technician

Milk

Starting in February, *Distinguer le lait du faux* aimed to help consumers make more informed choices about milk amid tough competition from the many alternative beverages offered in the market. The campaign disseminated various messages in videos, posters, social media, magazines, newspapers and urban cafes. In addition, Radio-Canada's OhDio podcast, *Jugez par vous-même*, shed light on facts and myths about dairy production. Hosted by popular actress Marie-Soleil Dion, the four episodes included interviews with experts from various sectors and two milk producers.

In April, *Y'en a dedans* boasted the merits of enriched milk products that are very high in protein, in collaboration with the four processor partners that provide Natrel +, Ultra Plus, Joyya and Fairlife. The campaign could be seen on television, on the Internet, in displays and in print and stood



out particularly during the *Survivor* television series, when different opportunities were seized to give these products even more visibility.

In September, the fall advertising campaign *Votre lait* kicked off to highlight the quality of local dairy production and its world-renowned standards. Laurent Duvernay-Tardif, spokesperson for Les Producteurs de lait du Québec, came back for the occasion. His cameo took the form of three surprising characters. The various versions of the campaign presented actual comments from loyal admirers in order to illustrate consumers' vivid interest in milk. The campaign also included digital audio formats, Web banners and content partnerships. Finally, the lafamilledulait.com website, an information hub on the dairy industry, now showcases the social responsibility efforts of Les Producteurs de lait du Québec to consumers.

The traditional holiday Season campaign for the Lait brand portrayed the public's favourite children giving their parents a highly coveted gift, i.e. peace of mind, in the *la paix d'esprit* advertisements. The tips shared in this campaign offered a candid look at aspects of parenting that all Quebec families are familiar with and gave them a bit of a



1 Lait automne campaign 2 Y'en a dedans, enriched milk campaign 3 Québec Capitales 4 Distinguer le lait du faux campaign 5 Le lait bio, c'est logique, Organic Milk campaign 6 Lait Noël campaign

“ In September, the fall advertising campaign *Votre lait* kicked off to highlight the quality of local dairy production and its world-renowned standards. Laurent Duvernay-Tardif, spokesperson for Les Producteurs de lait du Québec, came back for the occasion. His cameo took the form of three surprising characters. The various versions of the campaign presented actual comments from loyal admirers in order to illustrate consumers' vivid interest in milk. ”

reprieve during this festive season. In addition, a 15-second ad, posters and magazine ads reminded audiences of the support provided by Les Producteurs de lait du Québec to the Food Banks of Quebec (BAQ). In the last 20 years, nearly 20.8 million litres of milk have been graciously donated to this organization. Finally, for an eighth consecutive year, the Famille du lait brand partnered with the Télé-Québec's Ciné-Cadeau series, the popular series of family television programs shown during the holiday break in Quebec.

To end the year on a high note, this campaign's beloved children made another appearance where they came up with an original plan to reach the pint of milk in the fridge, despite all the commotion caused by the many guests assembled in the kitchen: *un troisième lien*. Broadcast during the traditional year-end television program to an audience of over 4.5 million viewers, this advertisement won over Quebecers' hearts, which could be seen in its first place finish in Radio-Canada's *Bye Bye de la pub* competition.

Sponsorships

In addition to continuing its association with regional events such as the Saint Tite Country Western Festival and Abitibi's H2O Festival, the Lait brand continued to sponsor the very popular Quebec City Summer Festival as a major partner of its Youth series.

Organic milk

Advertising and relational marketing were combined in a summer campaign dedicated to demystifying the term "organic" for dairy products. The slogan *Le lait bio, c'est logique* resonated throughout a multiplatform campaign. In addition, a thematic *Lait'vénement bio* stand at Jean Talon Market in Montreal and Quebec City's Grand Marché allowed producers to talk to consumers while they enjoyed a milkshake. Finally, as part of the marketing support activities for organic processors, a joint project was created with 8 Quebec dairy processors and 45 promotional projects were rolled out to boost organic milk orders.

Milk-School Program

Over 9 million milk cartons were distributed at 600 elementary schools in Quebec during the school year from September 2022 to June 2023. Thus, this joint initiative between Les Producteurs de lait du Québec, the Ministère de l'Éducation, and the Fédération des centres de services scolaires du Québec continued to be a priority. Its aim is to highlight milk's value to the many parent committees that want to keep their children eating healthy foods.

Yogurt

Yogurt was featured during the *Les Chefs!* show on Radio-Canada, thanks to a 5-week media partnership.

Our recipes

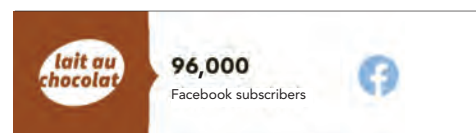
Advertising campaign

The food lovers' platform **recettesdici.com** shined in its very first promotional campaign, which was broadcast during highly popular television shows and on the Internet. Through a combination of the website, social media, articles and a newsletter, the message positioned the brand as a culinary reference, regardless of the occasion or season. Thanks to over 1,800 appetizing, colourful and creative recipes, 100 educative and entertaining articles, a menu of the week and an empty fridge tool that meets consumers' needs, 3.66 million visits were recorded in 2023.



Chocolate milk

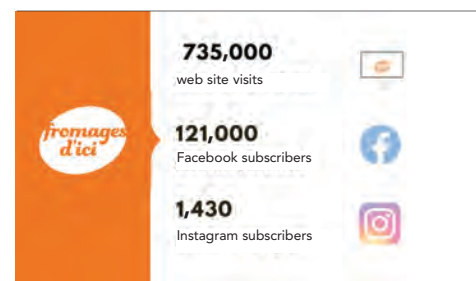
The Lait au chocolat brand was promoted at 82 hockey and ringette tournaments during the 2022-2023 season. It was also featured at Vélo Québec cycling events and 14 foot races across the province. Moreover, the Quebec Games and the Quebec Capitales baseball team made good use of their winning partnerships with this brand to show that chocolate milk is an excellent drink for recovering after intense physical effort.



Our cheeses

Advertising campaigns

In the spring, people's strong attachment to Quebec cheeses was reflected in larger-than-life portrayals. The two-ad *Juste trop bons* campaign had television, digital, print and social media versions.



In the fall, a marketing push introduced consumers to taste tags, a tool that suggests aromatic profiles based on three aspects: flavour, intensity and texture. In doing so, it helps consumers better understand our products and eases their decision-making about substituting cheeses. The campaign was shown in displays at points of sale, on digital platforms and in social media content.

“

The **lafamilledulait.com** website provided additional content on producers' ongoing efforts, such as their actions in the areas of product quality and respect for the environment, as well as the ethics that shape milk producers' daily work.

”



1 Pastilles de goût, Our Cheeses campaign 2 Cellar Our cheeses, ITHQ 3 Pastilles de goût, Our Cheeses campaign 4 Tour la nuit, Vélo-Québec 5 Tres Leches Chocolate Cake, Our recipes 6 Our recipes campaign

Sponsorships

Around forty regional cheese tastings were also held across Quebec to benefit various charitable causes. Jean-Duceppe Theater, the Montreal Symphony Orchestra, the National Bank Roger's Cup, the Saguenay Wine Festival and the Selection Caseus competition, which celebrates the best cheeses in Quebec, were some of the other beneficial partnerships. Les Producteurs de lait du Québec also renewed its partnership with the Centre d'expertise fromagère du Québec, whose mission is to support quality, healthy, sustainable and profitable cheese production that contributes to regional development.

Cream

Les Producteurs de lait du Québec signed up for a twelfth year of collaboration with the Association des producteurs de fraises et framboises du Québec. 14,270,452 containers were printed with the reference **recettesd'ici.com**, encouraging consumers to cook with cream of course, but also with all dairy products. From June to October, this promotional identity was also frequently honoured in numerous grocery store circulars in Quebec, thereby maximizing the impact of this longstanding partnership. In addition, Recettes d'ici became a gourmet partner of the second edition of Festifraîche, an event celebrating fall harvests of strawberries and raspberries.

Promotion of the profession

To complement the advertising efforts of Dairy Farmers of Canada, which are aimed at keeping consumers confident in the "Lait de qualité" seal, Les Producteurs de lait du Québec used a number of different approaches to brag about its members' continuous efforts to improve the industry. A video produced in partnership with Urbania media outlet showed the daily life of a woman dairy producer and starred young comedian Josianne Aubuchon. The **lafamilledulait.com** website provided additional content on producers' ongoing efforts, such as their actions in the areas of product quality and respect for the environment, as well as the ethics that shape milk producers' daily work. Furthermore, four new articles exploring supply management topics, soil health and biodiversity, the mission of McGill University's Macdonald farm and the Agriclimat project were published. A Frequently Asked Questions section also directly answered consumer questions on their topics of concern. Finally, as partners of the *Arrive en campagne* television series hosted by Bob the chef, Les Producteurs de lait du Québec helped produce and broadcast two episodes dedicated to Quebec producers' desire to outdo themselves.

Sponsorships

Les Producteurs de lait du Québec took advantage of its partnership with the Association des expositions agricoles du Québec (AEAQ) to maximize its presence at 27 regional events.

The organization also supported Agriculture, Food and Consumption Week (SAAC), the Centre de référence en agriculture et agroalimentaire du Québec (CRAAQ), the Laurent Duvernay-Tardif Foundation, the CHU Sainte-Justine Foundation, Food Banks of Quebec and 103 charities by providing dairy products for their Christmas baskets.

FINANCE AND ADMINISTRATION

The Finance and Administration Department is responsible for processing accounting transactions and producing the financial reporting for the various funds of Les Producteurs de lait du Québec (PLQ), including the regional groups. It also performs the financial transactions of the Pool Fund for marketing milk produced in Quebec, which includes payments to producers, transporters and service providers, as well as plant billing. In addition, the Department records quota purchase and sales transactions by Quebec milk producers in the Centralized Quota Sales System (SCVQ). Finally, it provides administrative support and financial advice to the organization's bodies and General Management.



Martine Bédard, Accounting Technician **Geneviève Bordeleau**, Accounting Technician **Claudia Larouche**, Management Accountant
Nazgul Lim, Accounting Technician **Nancy Noiseux**, Milk Payment Officer



Elaine Pellerin, Pool Service Coordinator **Cesar Perez Huanca**, Accounting Clerk
Patrick Verstricht, Director, Finance and Administration

HIGHLIGHTS OF THE YEAR

Contribution for Joint Plan administration

After the resolution on the contribution for Joint Plan administration was adopted by the Annual General Meeting in 2023, Decision 12375 of the Régie des marchés agricoles et alimentaires du Québec was published in the *Official Gazette of Quebec* on May 24, 2023. Accordingly, on June 1, 2023, the contribution for Joint Plan administration went from \$0.0350 to \$0.0420 per kg of total solids.

Review of the maximum eligible payment ratio and price adjustment

After analyzing the market requirements for solids non-fat (SNF), the P5 marketing boards agreed to reduce the maximum eligible SNF/F payment ratio from 2.25 to 2.20 starting on August 1, 2023. The market ratio remained unchanged at 2.00.

The component payment policy establishes two price tiers depending on SNF/F. To better reflect market revenue and ensure better equity between producers given the structural surplus of SNF in the market, price adjustments were made to SNF that fell between the market ratio and the maximum ratio. The prices paid were adjusted to 70% of the price of Class 4a for protein and to 70% of \$0.90/kilograms for lactose and other solids.

Audit services for milk utilization declarations

In 2023, the Canadian Dairy Commission audited the milk utilization declarations of 124 dairy enterprises in Quebec that were concerned by agreements, for a total of 1,569 audited periods.

As concerns the financial statements for 2023

The results of the General Operating Fund, excluding those allocated to the Milk Quality Programs and the proAction program, show a surplus of revenue over expenses of \$3.77 million. The unallocated fund balance amounts to nearly \$14.80 million, when taking into account the transfer from the Advertising and Promotion Fund.

QUEBEC SALES BY MANUFACTURING CLASS – 2023

Class	Description	% Total solids	% Receipts
1a	Milk and milk-based beverages	14.22	17.91
1b	Cream	3.90	5.15
2a	Yogurt	8.87	8.55
2b	Ice cream, sour cream, milk shakes and nutritional drinks	1.83	1.98
3a	Fine cheeses and cheeses not listed in classes 3b or 3c	10.51	11.19
3b	Cheddar	12.59	13.90
3c	Asiago, Brick, Colby, Farmer, Feta, Gouda, Havarti, Jack, Monterey Jack, Mozzarella, Munster, Paneer, Parmesan and Swiss	19.64	19.12
4a	Butter and milk powder	25.70	18.55
4b	Concentrated milk for retail sales and unusual losses	2.72	3.62
4d	Inventories and rejected fluid milk returns	0.02	0.03
Total		100.00	100.00

As in previous years, the quality deductions were not enough to support the costs of the quality improvement and technical assistance programs for producers who have trouble meeting the standards. The cost of activities involved in improving milk quality was covered by the General Operating Fund. The net result thus attributed to the fund in 2023 is \$0.32 million, while the Milk Quality Programs had posted a deficiency of revenue over expenses of \$0.21 million in 2022.

As at December 31, 2023, the net cost associated with the proAction program showed a deficiency of revenue over expenses of just over \$1.55 million. The balance of the fund allocated to the program is exhausted and this amount is now covered by the General Operating Fund. This can be

FINANCING OF OPERATIONS – 2023

	January to April	May	June to July	August to december
	\$/kg of TS ¹			
Administration of the Joint Plan and Defence Fund	0.02883	0.02883	0.03583	0.03606
Contribution to the UPA	0.00737	0.00737	0.00737	0.00714
Subtotal	0.03620	0.03620	0.04320	0.04320
Advertising and Promotion Development Fund	0.10090	0.10070	0.10070	0.10070
	0.00080	0.00080	0.00080	0.00080
Total	0.13790	0.13770	0.14470	0.14470

¹ Total solids

PAYMENTS TO PRODUCERS – 2023

	Within-quota milk price					Quality premium MMAs ¹	
	Butterfat \$/kg	Tier 1 Protein \$/kg	Tier 1 Lactose and other solids \$/kg	Tier 2 Protein \$/kg	Tier 2 Lactose and other solids \$/kg	Value of average ² \$/hl	Volume \$/hl
January	13,0425	10,5083	0,9000	3,1204	3,1204	95,54	0,1789
February	13,1825	10,4194	0,9000	2,8003	2,8003	96,10	0,1664
March	13,0753	10,4437	0,9000	2,6782	2,6782	95,40	0,1627
April	12,9159	10,6636	0,9000	2,5124	2,5124	94,84	0,1553
May	13,2102	10,2875	0,9000	2,5076	2,5076	94,25	0,1550
June	12,7853	10,0687	0,9000	2,4983	2,4983	90,49	0,1699
July	13,0092	10,5331	0,9000	2,4353	2,4353	91,14	0,2419
August	13,2385	10,8742	0,9000	1,7219	0,6300	93,49	0,2280
September	13,1147	10,5154	0,9000	1,6850	0,6300	92,62	0,2310
October	13,3691	10,8531	0,9000	1,8015	0,6300	96,71	0,2204
November	13,4045	10,6874	0,9000	1,8639	0,6300	98,32	0,1871
December	13,6231	10,3453	0,9000	1,8263	0,6300	98,28	0,1871

	Within-quota milk price			Quality premium MMAs ¹	
	Butterfat \$/kg	Protein (weighted prices) \$/kg	Lactose and other solids (weighted prices) \$/kg	Value of average ² \$/hl	Volume \$/hl
Average annual price 2023	13,1654	9,9375	0,9702	94,74	0,1860
Average annual price 2022	12,7150	9,8945	1,1293	92,88	0,1808

1 Premium applied when the provincial annual weighted average somatic cell count stipulated in the milk marketing agreements has been reached. This premium is funded equally by the producers and dairy enterprises.

2 The composition of an average hectolitre varies annually. In 2022: Butterfat: 4.2391 kg/hl Protein: 3.2655 kg/hl Lactose: 5.9063 kg/hl. In 2023: Butterfat: 4.2665 kg/hl Protein: 3.3035 kg/hl Lactose: 5.9194 kg/hl.

specifically explained by the fact that marketing was halted for milk produced by production units not registered with the proAction program and expenses continued to be incurred for program validations and animal assessments in connection with the animal health module.

Furthermore, the Advertising and Promotion Fund generated a deficiency of \$1.61 million. In accordance with the resolution of the 2021 Annual General Assembly, the amount of \$1.59 million was transferred to the General Operating Fund in order to fund the organization’s IT system modernization work, thereby bringing the balance of the unallocated fund to \$14.69 million.

As for Pool Fund receipts from milk sales, they amounted to nearly \$3.38 billion in 2023. Meanwhile, transportation costs and the cost of pooling transportation increased significantly, from \$120.21 million in 2022 to just under \$131.49 million in 2023. This situation was essentially attributable to the implementation of a new agreement for the Milk Transportation Agreement and the review of the pricing formula, which includes retroactive dates that span several previous years.

The value of transactions in the SCVQ increased once again in 2023, while the quantities transacted through the system were higher by over 37.60% than those in 2022.

Finally, a reminder concerning the Fund for the Defence of Milk Producers, whose results are presented to delegates behind closed doors at the Annual General Meeting. This fund is used to support the costs of defending milk producers’ economic interests, especially those incurred by the Supply Management Movement (SMM), whose administrative aspects are coordinated by the Department. In 2023, expenses were almost exclusively allocated to the conduct of specific studies and research for the Movement.

FINANCIAL STATEMENTS 2023



For the sake of consistency, the financial statements are presented in their original French version.

RAPPORT DE LA DIRECTION

La responsabilité des états financiers non consolidés et de tous les renseignements présentés dans le rapport annuel relève de la Direction des Producteurs de lait du Québec (ci-après l'« Organisation »). Les états financiers non consolidés ont été dressés conformément aux Normes comptables canadiennes pour les organismes sans but lucratif, à l'exception du fait qu'ils n'incluent pas les comptes du Fonds de défense des producteurs de lait qui sont présentés distinctement lors de l'assemblée annuelle, et ils ont été approuvés par le conseil d'administration.

Dans le cadre de ses responsabilités, la Direction maintient des systèmes de contrôles internes comprenant des politiques et des procédures et la séparation des tâches et des responsabilités. Ces systèmes sont conçus en vue de fournir l'assurance que l'actif de l'Organisation est bien sauvegardé, que toutes les opérations sont dûment autorisées, correctement inscrites et présentées et que nous pouvons nous fier aux registres comptables pour la préparation des états financiers non consolidés. Aux systèmes de contrôles internes s'ajoutent un programme de vérifications internes ainsi que des revues appropriées effectuées par la Direction.

L'auditeur indépendant Raymond Chabot Grant Thornton S.E.N.C.R.L., nommé par l'Assemblée générale, a audité les états financiers non consolidés de l'Organisation conformément aux normes d'audit généralement reconnues du Canada et a présenté le rapport qui suit.

Le président du Conseil,

Daniel Gobeil

Le 1^{er} vice-président,

Alain Brassard

Le 22 février 2024

RAPPORT DE L'AUDITEUR INDÉPENDANT

Aux producteurs visés par le Plan conjoint (1980) des producteurs de lait du Québec

Opinion avec réserve

Nous avons effectué l'audit des états financiers non consolidés des Producteurs de lait du Québec (Plan conjoint (1980) des producteurs de lait du Québec) (ci-après l'« Organisation »), qui comprennent le bilan non consolidé au 31 décembre 2023 et les états non consolidés des résultats, de l'évolution des soldes de fonds et des flux de trésorerie ainsi que de l'évolution du solde à percevoir des producteurs du Fonds du pool et de l'évolution de la réserve d'ajustements du Système centralisé de vente des quotas pour l'exercice terminé à cette date, ainsi que les notes complémentaires, y compris le résumé des principales méthodes comptables.

À notre avis, à l'exception des incidences du problème décrit dans la section « Fondement de l'opinion avec réserve » du présent rapport, les états financiers non consolidés ci-joints donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de l'Organisation au 31 décembre 2023, ainsi que des résultats de ses activités et de ses flux de trésorerie pour l'exercice terminé à cette date, conformément aux Normes comptables canadiennes pour les organismes sans but lucratif.

Fondement de l'opinion avec réserve

Les comptes du Fonds de défense des producteurs de lait ont fait l'objet d'un audit d'états financiers distinct et n'ont pas été inclus dans les états financiers non consolidés ci-joints. Cela résulte d'une décision prise par la Direction il y a plusieurs années. À cet égard, ces états financiers non consolidés ne sont pas conformes aux Normes comptables canadiennes pour les organismes sans but lucratif. Les incidences de cette dérogation sur les états financiers non consolidés pour les exercices terminés les 31 décembre 2023 et 2022 n'ont pas été définies. Nous avons exprimé une opinion d'audit modifiée sur les états financiers non consolidés pour l'exercice terminé le 31 décembre 2022 en raison des incidences de cette dérogation aux Normes comptables canadiennes pour les organismes sans but lucratif.

Nous avons effectué notre audit conformément aux normes d'audit généralement reconnues du Canada. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités de l'auditeur à l'égard de l'audit des états financiers non consolidés » du présent rapport. Nous sommes indépendants de l'Organisation conformément aux règles de déontologie qui s'appliquent à notre audit des états financiers non consolidés au Canada et nous nous sommes acquittés des autres responsabilités déontologiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion avec réserve.

Responsabilités de la Direction et des responsables de la gouvernance à l'égard des états financiers non consolidés

La Direction est responsable de la préparation et de la présentation fidèle des états financiers non consolidés conformément aux Normes comptables canadiennes pour les organismes sans but lucratif, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers non consolidés exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Lors de la préparation des états financiers non consolidés, c'est à la Direction qu'il incombe d'évaluer la capacité de l'Organisation à poursuivre son exploitation, de communiquer, le cas échéant, les questions relatives à la continuité de l'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la Direction a l'intention de liquider l'Organisation ou de cesser son activité, ou si aucune autre solution réaliste ne s'offre à elle.

Il incombe aux responsables de la gouvernance de surveiller le processus d'information financière de l'Organisation.

Responsabilités de l'auditeur à l'égard de l'audit des états financiers non consolidés

Nos objectifs sont d'obtenir l'assurance raisonnable que les états financiers non consolidés pris dans leur ensemble sont exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, et de délivrer un rapport de l'auditeur contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes d'audit généralement reconnues du Canada permettra toujours de

détecter toute anomalie significative qui pourrait exister. Les anomalies peuvent résulter de fraudes ou d'erreurs et elles sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce qu'elles, individuellement ou collectivement, puissent influencer sur les décisions économiques que les utilisateurs des états financiers non consolidés prennent en se fondant sur ceux-ci.

Dans le cadre d'un audit réalisé conformément aux normes d'audit généralement reconnues du Canada, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique tout au long de cet audit.

En outre :

- nous identifions et évaluons les risques que les états financiers non consolidés comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, concevons et mettons en œuvre des procédures d'audit en réponse à ces risques, et réunissons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative résultant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne;
- nous acquérons une compréhension des éléments du contrôle interne pertinents pour l'audit afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'Organisation;
- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la Direction, de même que des informations y afférentes fournies par cette dernière;
- nous tirons une conclusion quant au caractère approprié de l'utilisation par la Direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité de l'Organisation à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états financiers non consolidés au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer

une opinion modifiée. Nos conclusions s'appuient sur les éléments probants obtenus jusqu'à la date de notre rapport. Des événements ou situations futurs pourraient par ailleurs amener l'Organisation à cesser son exploitation;

- nous évaluons la présentation d'ensemble, la structure et le contenu des états financiers non consolidés, y compris les informations fournies dans les notes, et apprécions si les états financiers non consolidés représentent les opérations et événements sous-jacents d'une manière propre à donner une image fidèle;
- nous obtenons des éléments probants suffisants et appropriés concernant l'information financière des entités et activités du groupe pour exprimer une opinion sur les états financiers non consolidés. Nous sommes responsables de la direction, de la supervision et de la réalisation de l'audit du groupe, et assumons l'entière responsabilité de notre opinion d'audit.

Nous communiquons aux responsables de la gouvernance notamment l'étendue et le calendrier prévus des travaux d'audit et nos constatations importantes, y compris toute déficience importante du contrôle interne que nous aurions relevée au cours de notre audit.

Raymond Chabot Grant Thornton S.E. N.C. R. L.

Brossard

Le 22 février 2024

¹ CPA auditeur, permis de comptabilité publique n° A117013

BILAN NON CONSOLIDÉ

au 31 décembre 2023

	Fonds d'administration \$	Fonds de publicité et promotion \$	Fonds de développement \$	Fonds du pool \$	SCVQ \$	Élimination* \$	2023 Total \$	2022 Total \$
Actif								
Court terme								
Encaisse	5 939 504	6 810 710	—	19 544 438	16 637 091	—	48 931 743	59 365 034
Débiteurs (note 3)	510 449	409 569	—	286 003 909	1 836 665	—	288 760 592	289 254 019
Créances interfonds, sans intérêt	4 831 921	2 417 060	4 565	—	—	(7 253 546)	—	—
Placements (note 5)	3 503 737	4 703 737	—	—	5 500 000	—	13 707 474	9 200 000
Frais payés d'avance	1 760 891	224 334	—	215 200	—	—	2 200 425	920 540
Solde à percevoir des producteurs	—	—	—	2 860 240	—	—	2 860 240	1 871 356
	16 546 502	14 565 410	4 565	308 623 787	23 973 756	(7 253 546)	356 460 474	360 610 949
Long terme								
Sommes à percevoir des producteurs (note 4)	—	—	—	208 937	—	—	208 937	80 808
Placements (notes 5 et 15)								
Participations dans les sociétés satellites	119	—	—	—	—	—	119	119
Coentreprise	—	—	1 925 854	—	—	—	1 925 854	1 738 220
Autres placements	1 500 000	5 000 000	229 546	—	1 000 000	—	7 729 546	15 666 298
	1 500 119	5 000 000	2 155 400	—	1 000 000	—	9 655 519	17 404 637
Immobilisations corporelles (note 7)								
Actif incorporel (note 8)	979 275	23 353	—	—	—	—	1 002 628	961 866
Autres éléments d'actif	3 674 851	—	—	—	—	—	3 674 851	1 979 130
	334 148	—	—	—	—	—	334 148	327 512
	23 034 895	19 588 763	2 159 965	308 832 724	24 973 756	(7 253 546)	371 336 557	381 364 902
Passif								
Court terme								
Créditeurs et charges à payer (note 9)	3 336 645	4 875 939	—	302 703 109	17 730 475	—	328 646 168	339 784 423
Créances interfonds, sans intérêt	608 838	—	162 697	6 129 615	352 396	(7 253 546)	—	—
Réserve d'ajustements (note 6)	—	—	—	—	6 890 885	—	6 890 885	7 643 045
Revenus reportés (note 4)	213 389	—	—	—	—	—	213 389	195 107
	4 158 872	4 875 939	162 697	308 832 724	24 973 756	(7 253 546)	335 750 442	347 622 575
Long terme								
Revenus reportés (note 4)	1 671 024	—	—	—	—	—	1 671 024	99 575
	5 829 896	4 875 939	162 697	308 832 724	24 973 756	(7 253 546)	337 421 466	347 722 150
Soldes de fonds								
Investis en immobilisations	4 286 241	23 353	—	—	—	—	4 309 594	2 758 746
Grevés d'affectations externes								
Affectés aux Programmes- qualité du lait	(324 588)	—	—	—	—	—	(324 588)	(206 579)
Affectés au programme proAction	(1 554 125)	—	—	—	—	—	(1 554 125)	(142 750)
Affectés à Novalait inc. et au Fonds de développement de l'industrie laitière du Québec (en fidéicommiss)	—	—	2 155 400	—	—	—	2 155 400	2 097 043
Libres d'affectations	14 797 471	14 689 471	(158 132)	—	—	—	29 328 810	29 136 292
	17 204 999	14 712 824	1 997 268	—	—	—	33 915 091	33 642 752
	23 034 895	19 588 763	2 159 965	308 832 724	24 973 756	(7 253 546)	371 336 557	381 364 902

Engagements (note 14)

* Les créances interfonds présentées dans les fonds particuliers sont éliminées dans la colonne des totaux.

Les notes complémentaires font partie intégrante des états financiers non consolidés.

RÉSULTATS NON CONSOLIDÉS

Exercice terminé le 31 décembre 2023

	Fonds d'administration \$	Fonds de publicité et promotion \$	Fonds de développement \$	2023 Total \$	2022 Total \$
Produits					
Prélèvements	18 637 139	48 074 380	381 669	67 093 188	63 692 080
Retenues-qualité	801 595	—	—	801 595	1 051 029
Pénalité proAction	218 625	—	—	218 625	373 508
Intérêts	1 795 219	652 797	—	2 448 016	1 092 849
	21 452 578	48 727 177	381 669	70 561 424	66 209 466
Charges					
Activités de promotion	—	3 770 982	—	3 770 982	4 020 494
Campagnes publicitaires	—	23 039 911	—	23 039 911	25 087 910
Contribution et cotisation aux Producteurs laitiers du Canada	1 121 106	22 627 494	—	23 748 600	19 996 085
Contribution à l'Union des producteurs agricoles	3 457 766	—	—	3 457 766	3 508 393
Exploitation	9 733 356	900 541	—	10 633 897	11 219 753
Formation, information et publications	199 198	—	—	199 198	194 502
Programme proAction	1 772 750	—	—	1 772 750	1 888 076
Programmes-qualité du lait	744 997	—	—	744 997	689 921
Quote-part de la perte de Novalait inc.	—	—	385 944	385 944	366 321
Recherche	331 757	—	—	331 757	481 296
Retenues-qualité versées aux entreprises laitières coopératives	381 186	—	—	381 186	567 687
Réunions des administrateurs et des membres	1 822 097	—	—	1 822 097	1 476 581
	19 564 213	50 338 928	385 944	70 289 085	69 497 019
Excédent (insuffisance) des produits par rapport aux charges	1 888 365	(1 611 751)	(4 275)	272 339	(3 287 553)

Les notes complémentaires font partie intégrante des états financiers non consolidés.

ÉVOLUTION DE LA RÉSERVE D'AJUSTEMENTS DU SYSTÈME CENTRALISÉ DE VENTE DES QUOTAS

Exercice terminé le 31 décembre 2023

	2023 \$	2022 \$
Recettes provenant des producteurs de lait pour l'achat de quotas	268 013 520	194 861 280
Versements aux producteurs de lait pour la vente de quotas	268 765 680	195 278 400
Insuffisance des recettes par rapport aux versements	(752 160)	(417 120)
Réserve d'ajustements au début	7 643 045	8 060 165
Réserve d'ajustements à la fin (note 6)	6 890 885	7 643 045

Les notes complémentaires font partie intégrante des états financiers non consolidés.

ÉVOLUTION DES SOLDES DE FONDS NON CONSOLIDÉS

Exercice terminé le 31 décembre 2023

	Fonds d'administration			
	Investi en immobilisations \$	Grevés d'affectations externes		Libre d'affectations \$
		Affecté aux Programmes-qualité du lait \$	Affecté au programme proAction \$	
Soldes au début	2 725 484	(206 579)	(142 750)	11 350 918
Excédent (insuffisance) des produits par rapport aux charges	(570 135)*	(324 588)	(1 554 125)	4 337 213
Acquisitions nettes d'immobilisations	2 130 892	—	—	(2 130 892)
Virement interfonds	—	206 579	142 750	1 240 232
Soldes à la fin	4 286 241	(324 588)	(1 554 125)	14 797 471

* Le montant de l'insuffisance des produits par rapport aux charges du solde de fonds investi en immobilisations du Fonds d'administration comprend un amortissement des immobilisations d'un montant de 702 493 \$ (419 874 \$ en 2022) et un amortissement des revenus reportés liés aux immobilisations d'un montant de 132 358 \$ (125 250 \$ en 2022).

Les notes complémentaires font partie intégrante des états financiers non consolidés.

ÉVOLUTION DU SOLDE À PERCEVOIR DES PRODUCTEURS DU FONDS DU POOL

Exercice terminé le 31 décembre 2023

	Ventes de lait \$	Frais de transport \$	Qualité – Fonds de compensation* \$	2023 Total \$	2022 Total \$
Recettes					
Provenant des ventes de lait (note 10)	3 375 314 773	—	—	3 375 314 773	3 250 598 148
Intérêts	882 990	—	—	882 990	437 064
	3 376 197 763	—	—	3 376 197 763	3 251 035 212
Distribution des recettes					
Versements nets aux producteurs	3 164 412 066	—	—	3 164 412 066	3 057 980 939
Déduction pour frais de transport	130 744 834	(130 744 834)	—	—	—
Prélèvements	67 093 188	—	—	67 093 188	63 692 080
Retenues-qualité	801 595	—	—	801 595	1 051 029
Pénalité proAction	218 625	—	—	218 625	373 508
Cession temporaire de quotas	7 772 431	—	—	7 772 431	7 473 565
Frais d'analyse des échantillons de lait	2 881 116	—	—	2 881 116	2 666 632
Frais d'analyse de dépistage des antibiotiques	1 638 244	—	—	1 638 244	1 626 753
Frais de transport et de mise en commun des frais de transport (note 11)	—	131 486 924	—	131 486 924	120 210 388
Programme de calibrage	213 585	—	—	213 585	184 892
Programme de lait-école	334 311	—	—	334 311	324 004
Vérification et analyses relatives au paiement du lait	334 562	—	—	334 562	381 279
	3 376 444 557	742 090	—	3 377 186 647	3 255 965 069
Insuffisance des recettes sur la distribution des recettes	(246 794)	(742 090)	—	(988 884)	(4 929 857)
Soldes à verser (à percevoir) aux producteurs au début	363 763	(2 385 119)	150 000	(1 871 356)	3 058 501
Soldes à verser (à percevoir) aux producteurs à la fin (note 12)	116 969	(3 127 209)	150 000	(2 860 240)	(1 871 356)

* Fonds de compensation constitué en vertu de l'article 7.11 des conventions de mise en marché du lait relativement à une contamination de lait d'un silo d'usine. Les notes complémentaires font partie intégrante des états financiers non consolidés.

Fonds de publicité et promotion		Fonds de développement		2023 Total \$	2022 Total \$
Investi en immobilisations \$	Libre d'affectations \$	Affecté à Novalait inc. et au FDILQ (en fidéicommis) \$	Libre d'affectations \$		
33 262	17 880 874	2 097 043	(95 500)	33 642 752	36 930 305
(9 909)	(1 601 842)	58 357	(62 632)	272 339	(3 287 553)
—	—	—	—	—	—
—	(1 589 561)	—	—	—	—
23 353	14 689 471	2 155 400	(158 132)	33 915 091	33 642 752

FLUX DE TRÉSORERIE NON CONSOLIDÉS

Exercice terminé le 31 décembre 2023

	2023 \$	2022 \$
Activités de fonctionnement		
Excédent (insuffisance) des produits par rapport aux charges du Fonds d'administration, du Fonds de publicité et promotion et du Fonds de développement de l'industrie laitière	272 339	(3 287 553)
Éléments sans effet sur la trésorerie		
Amortissement des immobilisations corporelles	550 419	429 783
Amortissement de l'actif incorporel	161 983	—
Perte de valeur relative aux actifs	—	1 892 936
Quote-part de la perte de Novalait inc.	385 944	366 321
	1 370 685	(598 513)
Variation nette des éléments hors caisse du fonds de roulement de fonctionnement, des autres éléments d'actif et des revenus reportés		
Insuffisance des recettes sur la distribution des recettes du Fonds du pool	(988 884)	(4 929 857)
Insuffisance des recettes par rapport aux versements du Système centralisé de vente des quotas	(752 160)	(417 120)
Autres (note 16)	(10 341 618)	13 604 025
	(12 082 662)	8 257 048
	(10 711 977)	7 658 535
Activités d'investissement		
Acquisitions de placements	(16 644 300)	(16 440 264)
Dispositions de placements	19 500 000	17 200 000
Acquisitions d'immobilisations corporelles	(591 181)	(830 204)
Acquisitions de l'actif incorporel	(1 857 704)	(1 811 279)
Sommes à percevoir des producteurs	(128 129)	(28 100)
	278 686	(1 909 847)
Augmentation (diminution) nette de l'encaisse	(10 433 291)	5 748 688
Encaisse au début	59 365 034	53 616 346
Encaisse à la fin	48 931 743	59 365 034

Les notes complémentaires font partie intégrante des états financiers non consolidés.

NOTES COMPLÉMENTAIRES

31 décembre 2023

1. STATUT ET OBJECTIF DE L'ORGANISATION

Les Producteurs de lait du Québec (l'« Organisation ») sont constitués en vertu de la *Loi sur les syndicats professionnels* et regroupent les producteurs de lait de la province. À titre d'administrateurs du Plan conjoint (1980) des producteurs de lait du Québec, ils réalisent la mise en marché collective du lait de vache produit au Québec en vertu de la *Loi sur la mise en marché des produits agricoles, alimentaires et de la pêche*.

Il s'agit d'un organisme sans but lucratif au sens de la *Loi de l'impôt sur le revenu du Canada* et de la *Loi sur les impôts du Québec* et est exempté des impôts sur le revenu.

2. MÉTHODES COMPTABLES

Base de présentation

Les états financiers non consolidés de l'Organisation sont établis selon les Normes comptables canadiennes pour les organismes sans but lucratif (NCCOSBL), à l'exception du fait que les comptes du Fonds de défense des producteurs de lait qui ont fait l'objet d'un audit distinct n'ont pas été inclus dans les présents états financiers non consolidés.

Actifs et passifs financiers

Évaluation initiale

Lors de l'évaluation initiale, les actifs et les passifs financiers de l'Organisation sont évalués à la juste valeur qui est, dans le cas des actifs financiers ou des passifs financiers qui seront évalués ultérieurement au coût après amortissement, majorée ou diminuée du montant des commissions et des coûts de transaction afférents. Les actifs et passifs financiers de l'Organisation provenant d'opérations entre apparentés sont évalués au coût. Les coûts de transaction relatifs aux actifs et aux passifs financiers provenant d'opérations entre apparentés sont comptabilisés aux résultats non consolidés au cours de l'exercice où ils sont engagés.

Évaluation ultérieure

À chaque date de clôture, les actifs et les passifs financiers de l'Organisation provenant d'opérations non conclues avec des apparentés sont évalués au coût après amortissement. Dans le cas des actifs et passifs financiers de l'Organisation provenant d'opérations entre apparentés, ceux-ci sont évalués selon la méthode du coût (incluant toute dépréciation dans le cas des actifs financiers).

En ce qui a trait aux actifs financiers évalués au coût après amortissement ou selon la méthode du coût, l'Organisation détermine s'il existe des indications d'une possible dépréciation. Dans l'affirmative et si l'Organisation détermine qu'il y a eu, au cours de l'exercice, un changement défavorable important dans le calendrier ou dans le montant prévu des flux de trésorerie futurs d'un actif financier, une réduction sera alors comptabilisée à l'état des résultats non consolidés à titre de moins-value. La reprise d'une moins-value comptabilisée antérieurement sur un actif financier évalué au coût après amortissement ou selon la méthode du coût est comptabilisée aux résultats non consolidés au cours de l'exercice où la reprise a lieu.

Trésorerie et équivalents de trésorerie

La politique de l'Organisation est de présenter dans la trésorerie et les équivalents de trésorerie les soldes bancaires ainsi que les placements dont l'échéance n'excède pas trois mois à partir de la date d'acquisition ou ceux qui sont rachetables en tout temps sans pénalité.

Comptabilité par fonds

Les états financiers non consolidés de l'Organisation comptent six fonds, dont cinq sont présentés et regroupés selon le secteur d'activité et le mandat qui lui est confié. L'Organisation distingue trois secteurs d'activité :

- administration du plan conjoint et services aux membres;
- mise en marché du lait;
- administration d'un système d'échange des quotas.

Le premier secteur d'activité, administration du plan conjoint et services aux membres, regroupe quatre fonds : le Fonds d'administration, le Fonds de publicité et promotion, le Fonds de développement de l'industrie laitière et le Fonds de défense des producteurs de lait (non présenté). Ce secteur d'activité est entièrement financé par les producteurs membres.

Les produits, les charges, les actifs et les passifs afférents à l'administration de l'Organisation et du plan conjoint, les produits, les charges, les actifs et les passifs destinés à mettre en application des programmes d'amélioration de la qualité du lait et d'aide technique aux producteurs qui éprouvent des difficultés à satisfaire aux normes ainsi que les produits, les charges, les actifs et les passifs relatifs à l'administration du programme proAction sont présentés dans le Fonds d'administration, notamment l'administration des différents règlements, la négociation et l'application des conventions de mise en marché du lait, de la Convention de transport du lait et des ententes nationales, ainsi que les différents services aux producteurs sauf ceux couverts par d'autres fonds. Ces activités sont financées par le prélèvement pour l'administration du plan conjoint, par les retenues appliquées sur les versements des producteurs qui ne satisfont pas aux normes de qualité et par la pénalité proAction appliquée aux producteurs qui ne sont pas titulaires d'un certificat proAction pour faire suite à un manquement aux volets mis en œuvre. Les sommes recueillies pour les résultats positifs au dépistage des antibiotiques sont versées dans un fonds de compensation jusqu'à ce que celui-ci atteigne un montant maximum de 150 000 \$. Ces sommes sont conservées dans le Fonds du pool.

Les produits, les charges, les actifs et les passifs afférents aux activités de promotion du lait et des produits laitiers ainsi qu'au maintien et au développement des marchés sont présentés dans le Fonds de publicité et promotion. L'Organisation administre ces programmes sur le territoire québécois, à l'exception du secteur nutrition qui est administré par Les Producteurs laitiers du Canada. Ces activités sont financées par le prélèvement de publicité.

Les produits, les charges, les actifs et les passifs afférents à la recherche stratégique pour le secteur laitier sont présentés dans le Fonds de développement de l'industrie laitière. Ce fonds présente les placements détenus par les producteurs dans le Fonds de développement de l'industrie laitière du Québec (en fidéicomis) et la société Novalait inc., organismes formés en partenariat avec les transformateurs laitiers québécois. Les producteurs contribuent aux activités de ce fonds par le prélèvement pour le Fonds de développement de l'industrie laitière.

Le Fonds de défense des producteurs de lait a été constitué afin de donner aux producteurs de lait du Québec les moyens de financer des projets et des activités liés à la défense des intérêts économiques de ces producteurs. Ces activités sont financées par le prélèvement du Fonds de défense.

Le deuxième secteur d'activité, mise en marché du lait, présente les activités du Fonds du pool. Au moyen de leur plan conjoint, les producteurs ont délégué aux Producteurs de lait du Québec la responsabilité de la commercialisation de tout le lait produit et la négociation de toutes les conditions de vente.

Les actifs et les passifs afférents à la vente en commun de tout le lait produit au Québec ainsi que la mise en commun des frais de transport du lait sont présentés dans le Fonds du pool selon les modalités du Règlement sur le paiement du lait aux producteurs et du Règlement sur la mise en commun des frais de transport du lait. Ce fonds présente également les sommes recueillies afin de compenser toute usine du Québec ayant reçu du lait contaminé par un antibiotique, non détectable par une méthode rapide de détection à la réception à l'usine et qui aurait été entreposé dans un silo.

Le troisième secteur d'activité, administration d'un système d'échange des quotas, vise à faciliter les transactions entre les producteurs. Les actifs et les passifs, afférents aux transactions d'achat et de vente de quotas par les producteurs de lait du Québec réalisées par le Système centralisé de vente des quotas (SCVQ), sont présentés dans le fonds du Système centralisé de vente des quotas. Afin d'assurer le bon fonctionnement du système, le Fonds d'administration avance les liquidités nécessaires au besoin.

Participations dans les sociétés satellites

L'Organisation a choisi de comptabiliser les participations dans les sociétés satellites selon la méthode de la comptabilisation à la valeur de consolidation.

Participation dans la coentreprise

L'Organisation a choisi de présenter des états financiers non consolidés seulement et de comptabiliser la participation dans la coentreprise selon la méthode de la comptabilisation à la valeur de consolidation.

De plus, l'Organisation présente à la note 15 les informations additionnelles exigées dans les NCCOSBL.

Dépréciation des participations dans les sociétés satellites et la coentreprise

À chaque date de fin d'exercice, l'Organisation détermine, pour toute participation, s'il existe des indications d'une possible dépréciation. Dans l'affirmative et si l'Organisation détermine qu'il y a eu, au cours de l'exercice, un changement défavorable important dans le calendrier ou dans le montant prévu des flux de trésorerie futurs d'une participation, une réduction sera alors comptabilisée à l'état des résultats non consolidés à titre de moins-value. La reprise d'une moins-value comptabilisée antérieurement sur une participation est comptabilisée aux résultats non consolidés au cours de l'exercice où la reprise a lieu.

Immobilisations corporelles et actif incorporel

Les immobilisations corporelles et l'actif corporel acquis sont comptabilisés au coût.

Amortissement

Les immobilisations corporelles et l'actif incorporel sont amortis en fonction de leur durée probable d'utilisation selon la méthode de l'amortissement linéaire selon les périodes suivantes :

	Périodes
Matériel et systèmes informatiques	3 et 5 ans
Équipement de bureau	5 ans
Logiciel	8 ans
Matériel roulant	8 ans

Réduction de valeur

Lorsque les circonstances indiquent qu'une immobilisation corporelle ou qu'un actif incorporel a subi une dépréciation, une réduction de valeur est comptabilisée pour ramener la valeur comptable nette de l'immobilisation corporelle ou de l'actif incorporel à sa juste valeur ou à son coût de remplacement, selon le cas. La réduction de valeur est alors comptabilisée à l'état des résultats non consolidés et ne peut pas faire l'objet de reprises.

Constataion des produits

Les principaux produits de l'Organisation sont les produits de prélèvements, de retenues-qualité et la pénalité proAction. Les produits de prélèvements sont constatés conformément aux règlements selon le nombre de kilogrammes de solides totaux contenus dans le lait lorsque le montant est déterminable et lorsque le recouvrement est raisonnablement assuré. Les produits de retenues-qualité et la pénalité proAction sont constatés au moment où ils sont mesurables et lorsque le recouvrement est raisonnablement assuré.

Les intérêts proviennent des soldes excédentaires d'encaisse, des dépôts à terme, des placements garantis liés aux marchés et des prêts encaissables sur demande. Les intérêts sont comptabilisés selon la méthode de la comptabilité d'exercice.

L'Organisation applique la méthode du report pour comptabiliser les apports. Selon cette méthode, les apports affectés à des charges d'exercices futurs sont reportés et comptabilisés à titre de produits au cours de l'exercice où sont engagées les charges auxquelles ils sont affectés.

Les pénalités pour des livraisons de lait non déclarées sont constatées lorsque le montant est déterminé, que la Régie des marchés agricoles et alimentaires du Québec a rendu une décision favorable à une demande d'ordonnances sur acquiescement et que le recouvrement est raisonnablement assuré.

Régime de retraite

Le régime complémentaire de retraite de l'Organisation intègre un volet à cotisations définies et, depuis janvier 2010, un volet à prestations définies.

L'Organisation participe au régime interentreprises du Régime complémentaire de retraite des employés de l'Union des producteurs agricoles et ses partenaires. Les prestations du régime sont capitalisées dans une caisse de retraite au bénéfice de tous les participants du régime. Selon la dernière évaluation actuarielle du régime de retraite interentreprises effectuée le 31 décembre 2021, ce régime présente un déficit de solvabilité de 3 631 800 \$. Étant donné que les informations requises pour appliquer la comptabilité des régimes à prestations définies ne sont pas disponibles, l'Organisation applique la comptabilité des régimes à cotisations définies.

Au cours de l'exercice, l'Organisation a versé au régime complémentaire de retraite des cotisations s'élevant à 387 975 \$ (343 283 \$ en 2022) pour tout le personnel participant couvrant les volets à prestations définies.

Estimations comptables

Pour dresser les états financiers non consolidés, la Direction de l'Organisation doit faire des estimations et poser des hypothèses qui ont une incidence sur les montants présentés dans les états financiers non consolidés et les notes y afférentes. Ces estimations sont fondées sur la connaissance que la Direction possède des événements en cours et sur les mesures que l'Organisation pourrait prendre à l'avenir. Les résultats réels pourraient être différents de ces estimations.

3. DÉBITEURS

	Fonds d'administration \$	Fonds de publicité et promotion \$	Fonds du pool \$	SCVQ \$	2023 Total \$	2022 Total \$
Clients et autres	132 451	121 294	—	—	253 745	160 325
Entreprises laitières	—	—	284 490 882	—	284 490 882	286 576 574
Intérêts courus	118 242	268 301	67 464	140 083	594 090	572 538
Les Producteurs laitiers du Canada	—	1 932	—	—	1 932	874
Producteurs	—	—	217 363	1 484 248	1 701 611	1 066 103
Sociétés satellites	2 623	—	—	—	2 623	4 147
Subvention du MAPAQ	—	—	75 000	—	75 000	75 000
Taxes de vente	164 778	—	691 853	—	856 631	408 427
Transporteurs	—	—	461 347	—	461 347	212 605
Union des producteurs agricoles	92 355	18 042	—	212 334	322 731	177 426
	510 449	409 569	286 003 909	1 836 665	288 760 592	289 254 019

Les sommes à recevoir des entreprises laitières correspondent principalement aux montants à recevoir des transformateurs pour la valeur du lait de décembre ayant fait l'objet d'une facturation en janvier 2024, dont 82 % au 31 décembre 2023 (83 % au 31 décembre 2022) sont à recevoir de trois grandes entreprises laitières.

4. SOMMES À PERCEVOIR DES PRODUCTEURS ET REVENUS REPORTÉS

Ordinateurs de poche – Fonds d'administration et Fonds du pool

Pour la saisie des collectes de lait à la ferme, l'Organisation a acquis en 2023 des ordinateurs de poche pour 317 993 \$ (152 526 \$ en 2022). Ces sommes sont réparties dans les frais de transport selon la durée de vie utile estimative des investissements. Au cours de l'exercice, un montant de 132 358 \$ (137 925 \$ en 2022) a été porté aux frais de transport.

Au 31 décembre 2023, la somme à percevoir des producteurs et le solde des revenus reportés relatifs aux ordinateurs de poche s'élevaient à 367 885 \$ (182 250 \$ en 2022), dont 158 948 \$ (101 442 \$ en 2022) pour la partie à court terme imputable à l'année suivante et 208 937 \$ (80 808 \$ en 2022) pour la partie à long terme imputable aux années subséquentes.

De l'aide financière a été accordée à l'Organisation pour la réalisation de projets dans le cadre du Plan d'agriculture durable (PAD) et du Plan pour une économie verte 2030 (PEV). Au cours de l'exercice, un montant de 226 026 \$ a été porté aux produits et aux charges de recherche.

Au 31 décembre 2023, le solde des revenus reportés relatif à l'aide financière de ces projets de recherche s'élevait à 1 509 465 \$, dont 47 378 \$ pour la partie à court terme imputable à l'année suivante et 1 462 087 \$ pour la partie à long terme imputable aux années subséquentes.

5. PLACEMENTS

	Fonds d'administration \$	Fonds de publicité et promotion \$	Fonds de développement \$	SCVQ \$	2023 Total \$	2022 Total \$
Participations dans les sociétés satellites						
Parts sociales de Valacta, société en commandite, et actions de catégorie A de Valacta inc.	52	—	—	—	52	52
Parts sociales du Centre d'insémination artificielle du Québec (CIAQ), société en commandite, et actions de catégorie A de Gestion CIAQ inc.	67	—	—	—	67	67
	119	—	—	—	119	119
Participation dans la coentreprise						
Actions et souscriptions d'actions ordinaires de catégorie A de Novalait inc.	—	—	1 925 854	—	1 925 854	1 738 220
Autres placements						
Dépôts à terme ¹	1 500 000	7 000 000	—	2 000 000	10 500 000	13 800 000
Prêts à l'Union des producteurs agricoles encaissables sur demande ¹	2 000 000	1 200 000	—	4 500 000	7 700 000	7 700 000
Placements garantis liés aux marchés ²	1 503 737	1 503 737	—	—	3 007 474	3 007 474
Avance au Fonds de développement de l'industrie laitière du Québec (en fidéicomis), sans intérêt ³	—	—	229 546	—	229 546	358 824
	5 003 737	9 703 737	229 546	6 500 000	21 437 020	24 866 298
Placements échéant au cours du prochain exercice	3 503 737	4 703 737	—	5 500 000	13 707 474	9 200 000
	1 500 000	5 000 000	229 546	1 000 000	7 729 546	15 666 298

- 1 Les dépôts à terme qui arrivent à échéance dans les 12 mois suivant la fin de l'année ainsi que les prêts encaissables sur demande sont classés dans les placements à court terme, puisque les intentions de la Direction sont d'utiliser ces sommes au cours du prochain exercice ou d'en exiger l'encaissement. Les dépôts à terme ainsi que les prêts encaissables portent intérêt à des taux variant de 3,90 % à 5,75 % (de 1,49 % à 5,00 % en 2022) et viennent à échéance de janvier 2024 à décembre 2028 (de janvier 2023 à décembre 2027 en 2022).
- 2 Les placements garantis liés aux marchés sont des placements dont le capital est garanti à 100 % à l'échéance. Un taux d'intérêt annuel minimum est garanti et un maximum annuel est fixé. Les intérêts sont versés à l'échéance selon l'évolution des cours d'un panier de titres boursiers donnés en référence. Au 31 décembre 2023, les placements détenus viennent à échéance en décembre 2024. Le taux d'intérêt annuel minimum garanti est de 1,55 % et le taux maximum annuel fixé est de 6,96 %. Le taux d'intérêt minimum est utilisé pour le calcul annuel des intérêts et le taux réel l'année de l'échéance.
- 3 L'avance au Fonds de développement de l'industrie laitière du Québec (en fidéicomis) est constituée des contributions versées qui serviront au paiement des actions de Novalait inc. Au cours de l'exercice, l'Organisation a souscrit à 57 358 actions ordinaires de catégorie A de Novalait inc. (45 149 actions en 2022) pour un coût de 573 579 \$ (451 490 \$ en 2022).

6. RÉSERVE D'AJUSTEMENTS – SYSTÈME CENTRALISÉ DE VENTE DES QUOTAS

La réserve d'ajustements représente la valeur monétaire des quotas que le Système centralisé de vente des quotas a généré ou pris en charge afin d'obtenir un équilibre entre les offres de vente et les offres d'achat.

7. IMMOBILISATIONS CORPORELLES – FONDS D'ADMINISTRATION ET FONDS DE PUBLICITÉ ET PROMOTION

	Coût \$	Amortissement cumulé \$	2023 Valeur comptable nette \$	2022 Valeur comptable nette \$
Matériel et systèmes informatiques	6 367 530	5 387 802	979 728	931 458
Matériel roulant	76 531	54 623	21 908	28 737
Équipement de bureau	5 340	4 348	992	1 671
	6 449 401	5 446 773	1 002 628	961 866

La charge d'amortissement pour l'exercice s'élève à 550 419 \$ (429 783 \$ en 2022).

8. ACTIF INCORPOREL – FONDS D'ADMINISTRATION

	2023 \$	2022 \$
Logiciel	3 674 851	1 979 130

9. CRÉDITEURS ET CHARGES À PAYER

	Fonds d'administration \$	Fonds de publicité et promotion \$	Fonds du pool \$	SCVQ \$	2023 Total \$	2022 Total \$
Charges sociales et retenues à la source	118 817	—	—	—	118 817	117 425
Coentreprise	—	—	73 664	—	73 664	74 426
Entreprises laitières	28 377	—	—	—	28 377	32 122
Fonds de mise en commun interprovincial	—	—	10 886 668	—	10 886 668	29 804 831
Fournisseurs et frais courus	2 277 840	4 290 647	597 583	—	7 166 070	8 597 950
Les Producteurs laitiers du Canada	—	306 637	—	—	306 637	327 973
Producteurs	23 938	—	275 802 853	17 730 475	293 557 266	287 722 088
Sociétés satellites	195 135	—	424 716	—	619 851	669 062
Taxes de vente	—	276 825	—	—	276 825	—
Transporteurs	—	—	14 917 625	—	14 917 625	11 786 089
Union des producteurs agricoles	692 538	1 830	—	—	694 368	652 457
	3 336 645	4 875 939	302 703 109	17 730 475	328 646 168	339 784 423

Les sommes dues aux producteurs et aux transporteurs correspondent principalement aux sommes dues relatives aux livraisons de lait et à la valeur des ventes de quotas sur le Système centralisé de vente des quotas de décembre payées en janvier 2024.

10. RECETTES PROVENANT DES VENTES DE LAIT – FONDS DU POOL

Le détail des recettes provenant des ventes de lait s'établit comme suit :

	2023 \$	2022 \$
Ventes provinciales	3 481 818 011	3 365 014 740
Résultat des péréquations canadiennes pour la mise en commun des ventes de lait	(106 503 238)	(114 416 592)
	3 375 314 773	3 250 598 148

11. FRAIS DE TRANSPORT ET DE MISE EN COMMUN DES FRAIS DE TRANSPORT – FONDS DU POOL

Le détail des frais de transport et de mise en commun des frais de transport s'établit comme suit:

	2023 \$	2022 \$
Frais de transport	130 015 868	116 628 309
Résultat de la péréquation interprovinciale pour la mise en commun des frais de transport	1 471 056	3 582 079
	<u>131 486 924</u>	<u>120 210 388</u>

12. SOLDE À VERSER AUX PRODUCTEURS – FONDS DU POOL

Le montant de 116 969 \$ à verser aux producteurs (363 763 \$ en 2022) est sujet à révision, par la Régie des marchés agricoles et alimentaires du Québec, de l'utilisation des quantités de lait reçues par les entreprises laitières. Les corrections sont portées aux résultats de l'exercice où ils sont communiqués à l'Organisation.

13. INSTRUMENTS FINANCIERS

Risques financiers

Les principaux risques financiers auxquels l'Organisation est exposée sont détaillés ci-dessous.

Risque de crédit

L'Organisation est exposée au risque de crédit relativement aux actifs financiers comptabilisés au bilan non consolidé. L'Organisation a déterminé que les actifs financiers l'exposant davantage au risque de crédit sont les débiteurs et les prêts à l'Union des producteurs agricoles encaissables sur demande, étant donné que le manquement d'une de ces parties à ses obligations pourrait entraîner des pertes financières importantes pour l'Organisation ou les producteurs de lait.

Ce risque est réduit au minimum en raison de la qualité du crédit des parties auxquelles le crédit a été consenti, du suivi rigoureux des débiteurs et, pour les sommes à recevoir des entreprises laitières, en raison du programme de garantie de paiement du lait administré par la Régie des marchés agricoles et alimentaires du Québec.

Risque de marché

Les instruments financiers de l'Organisation l'exposent au risque de marché, plus particulièrement au risque de taux d'intérêt lié aux activités d'investissement.

Les dépôts à terme et les prêts à l'Union des producteurs agricoles encaissables sur demande portant intérêt à taux fixe exposent l'Organisation au risque de variations de la juste valeur découlant des variations des taux d'intérêt.

Les placements garantis liés aux marchés portant intérêt à taux variable exposent l'Organisation à un risque de flux de trésorerie découlant des variations des taux d'intérêt.

Les principaux objectifs de l'Organisation en ce qui a trait aux placements sont d'assurer la sécurité du capital investi, de garder un niveau élevé de liquidités et d'obtenir un rendement satisfaisant. L'Organisation gère le risque de taux d'intérêt en échelonnant les échéances. L'échelonnement des échéances contribue à améliorer le rendement moyen tout en réduisant la sensibilité aux fluctuations des taux d'intérêt.

Risque de liquidité

Le risque de liquidité de l'Organisation est le risque qu'elle éprouve des difficultés à honorer des engagements liés à ses passifs financiers. L'Organisation est donc exposée au risque de liquidité relativement à l'ensemble des passifs financiers comptabilisés au bilan non consolidé.

L'Organisation couvre ses besoins de liquidités en préparant et en surveillant des prévisions détaillées des flux de trésorerie liés à ses activités de fonctionnement, en prévoyant ses activités de placement et de financement ainsi qu'en détenant des actifs pouvant être facilement transformés en encaisse.

14. ENGAGEMENTS

Dans le cours normal des activités, l'Organisation a conclu des ententes qui engagent des fonds pour les exercices financiers futurs. Les versements estimatifs futurs pour les trois prochains exercices s'établissent à 12 569 000 \$ en 2024, à 2 204 000 \$ en 2025 et à 877 000 \$ en 2026. Ces ententes se détaillent de la façon suivante :

Convention de l'immeuble

L'Organisation s'est engagée, en vertu d'une convention, à partager avec l'Union des producteurs agricoles et les autres partenaires de la Maison de l'UPA le gain net ou la perte nette réalisable lors de la cession de l'immeuble. La part de l'Organisation s'élève à 13,77 % en 2023. Cette convention prévoit également des modalités de partage advenant le retrait de partenaires sans que l'immeuble soit cédé. Cette convention est d'une durée indéterminée et l'Organisation peut se retirer sous réserve d'un préavis de 12 mois.

Location de locaux commerciaux

Le bail entre l'Organisation et l'Union des producteurs agricoles prévoit un loyer annuel de 334 000 \$. À moins d'être dénoncé, ce bail se renouvelle chaque année aux mêmes conditions, à l'exception des clauses monétaires qui pourront être ajustées.

Dosage des composants aux fins de paiement du lait

La Convention de dosage de composants des échantillons de lait de citernes et de producteurs aux fins de paiement du lait (« Convention de dosage ») se poursuit jusqu'à son renouvellement.

Un contrat de service couvre l'analyse des échantillons de lait qui ne sont pas visés par la Convention de dosage, afin que toutes les collectes de lait à la ferme fassent l'objet d'une analyse pour en déterminer la composition, la numération de cellules somatiques et la teneur en eau. Ce contrat se renouvelle au gré des parties. Les coûts de ces analyses supplémentaires sont assumés entièrement par Les Producteurs de lait du Québec.

Une Convention d'aide financière entre le ministère de l'Agriculture, des Pêcheries et de l'Alimentation et Les Producteurs de lait du Québec est entrée en vigueur le 1^{er} avril 2022 et prendra fin au plus tard le 31 mars 2025.

L'Organisation s'est ainsi engagée pour une somme nette de 2 899 000 \$ en 2024.

Vérification des déclarations de l'utilisation du lait

L'Organisation a signé, conjointement avec les signataires des Conventions de mise en marché du lait, une entente de services pour la vérification des déclarations de l'utilisation du lait. Cette entente d'une durée de cinq (5) ans a commencé en septembre 2021 et prendra fin en juillet 2026. Selon les modalités décrites aux Conventions, les frais de vérification sont assumés, en parts égales, par Les Producteurs de lait du Québec et les entreprises laitières.

Elle s'est ainsi engagée pour une somme de 271 000 \$ en 2024, de 280 000 \$ en 2025 et de 287 000 \$ en 2026.

Coûts de production

L'Organisation a signé un protocole d'entente pour la réalisation de l'enquête sur les coûts de production des entreprises laitières pour les années 2023 et 2024. Les versements futurs de ces ententes s'établissent à 377 000 \$ en 2024 et à 180 000 \$ en 2025.

Soutien technique aux producteurs de lait

L'Organisation a signé un contrat de service afin de fournir un service de soutien aux producteurs pour améliorer la qualité du lait à la ferme. Cette entente, d'une durée d'un an, se renouvelle au gré des deux parties. Les versements estimatifs pour l'année 2024 s'élèvent à 598 000 \$.

Frais de validation, d'évaluation des animaux et de recherche

L'Organisation s'est engagée à utiliser les sommes du fonds affecté au programme proAction pour couvrir une partie des frais de validation et des frais d'évaluation des animaux en lien au volet bien-être animal de ce programme.

Dans le cadre du Plan pour une économie verte 2030, l'Organisation s'est également engagée dans un projet de recherche sur la réduction des émissions de méthane entérique des troupeaux laitiers. Une Convention d'aide financière de 3 600 000 \$ entre le ministère de l'Agriculture, des Pêcheries et de l'Alimentation et l'Organisation a d'ailleurs été signée en mars 2023 pour ce projet.

Les versements estimatifs nets sont de 1 201 000 \$ pour 2024.

Service de calibrage des bassins refroidisseurs

L'Organisation a signé une entente de service de calibrage des bassins refroidisseurs. Cette entente, d'une durée indéterminée, peut être résiliée par un consentement commun. Les versements estimatifs pour l'année 2024 s'élevaient à 233 000 \$.

Soutien aux conseils régionaux et services aux producteurs

Les Producteurs de lait du Québec retiennent les services des fédérations régionales de l'Union des producteurs agricoles pour soutenir ses conseils régionaux et offrir des services aux producteurs de toutes les régions.

Des contrats de service ont été signés et se renouvellent annuellement au gré des parties. La valeur estimative des coûts des services pour 2024 s'établit à 1 565 000 \$.

Campagnes publicitaires, activités de promotion et programme de lait-école

L'Organisation a signé un contrat de service pour la réalisation des activités de communication marketing renouvelable annuellement. L'organisation a de plus signé une lettre d'entente avec une agence pour la planification et le placement média, des protocoles d'entente non résiliables à titre de commanditaire pour différents événements et activités de promotion ainsi que des ententes de bonification du programme de lait-école pour les années scolaires 2020-2025.

L'Organisation s'est ainsi engagée pour une somme de 4 522 000 \$ en 2024, de 1 300 000 \$ en 2025 et de 590 000 \$ en 2026.

Autres

L'Organisation participe au financement de différents projets d'intérêt pour la production laitière, dont la promotion de la production laitière et de la profession de producteur de lait ainsi qu'un programme de lait-école. Les déboursés annuels prévus s'établissent à 569 000 \$ en 2024 et à 444 000 \$ en 2025.

15. SOCIÉTÉS ET ORGANISMES APPARENTÉS

L'Union des producteurs agricoles et Les Producteurs laitiers du Canada

En tant que syndicat professionnel représentant les producteurs de lait de la province, Les Producteurs de lait du Québec sont affiliés à l'Union des producteurs agricoles et aux Producteurs laitiers du Canada de par le fait qu'ils détiennent un intérêt économique. Un contrat signé par les représentants de l'Organisation et l'Union des producteurs agricoles prévoit les conditions associées à cette affiliation.

L'Union des producteurs agricoles a, entre autres, la fonction de promouvoir, de défendre et de développer les intérêts professionnels, économiques, sociaux et moraux des productrices et des producteurs de lait du Québec.

Les Producteurs laitiers du Canada sont l'organisme national de lobby, de politique et de promotion qui représente tous les producteurs de lait du Canada. Cette fédération regroupe les agences provinciales de mise en marché du lait et les organisations laitières provinciales.

Valacta, société satellite

L'Organisation détient 52 % des parts sociales de Valacta, société en commandite, et 52 % du capital-actions de Valacta inc. Selon la convention de la société en commandite et la convention entre actionnaires, l'Organisation détient 31 % des droits de vote, selon sa représentation au conseil d'administration, et n'a droit à aucune distribution des bénéfices ni aucun versement de dividendes.

Valacta, société en commandite, est constituée en vertu des articles 2236 et suivants du *Code civil du Québec*. Les affaires de la société sont gérées par le commandité, Valacta inc., société constituée en vertu de la *Loi sur les sociétés par actions* du Québec.

La mission de Valacta est de différencier et de renforcer le secteur de la production laitière québécoise en stimulant le développement du savoir et sa diffusion auprès des producteurs laitiers du Québec.

Centre d'insémination artificielle du Québec, société satellite

L'Organisation détient 33 1/3 % des parts sociales du Centre d'insémination artificielle du Québec (CIAQ), société en commandite, et 33 1/3 % du capital-actions de Gestion CIAQ inc. Selon la convention de la société en commandite et la convention entre actionnaires, l'Organisation n'a droit à aucune distribution des bénéfices ni aucun versement de dividendes.

Le Centre d'insémination artificielle du Québec (CIAQ), société en commandite, est constitué en vertu des articles 2236 et suivants du *Code civil du Québec*. Les affaires de la société sont gérées par le commandité, Gestion CIAQ inc., société constituée en vertu de la *Loi sur les sociétés par actions* du Québec.

La société a pour objet de promouvoir la recherche et le développement dans les domaines de l'amélioration génétique et des nouvelles techniques de reproduction ainsi que l'insémination artificielle, de commercialiser la semence de taureaux et de fournir des services aux producteurs de lait et de bovins.

Novalait inc., coentreprise

L'Organisation détient 50 % du capital-actions de la société Novalait inc.

Novalait inc. est constituée en vertu de la Loi sur les sociétés par actions du Québec. La société a pour mission d'assurer, par son leadership et ses actions, le développement et la valorisation des connaissances et des innovations en vue de favoriser la croissance durable de l'industrie laitière du Québec.

Les états financiers condensés de Novalait inc. au 31 juillet 2023 se présentent comme suit:

	2023 \$	2022 \$
Situation financière		
Total des actifs	4 052 721	3 805 344
Total des passifs	201 012	328 904
Capitaux propres	3 851 709	3 476 440
	4 052 721	3 805 344
Résultats des activités		
Total des produits	145 493	20 169
Total des charges	917 381	752 811
Perte nette	(771 888)	(732 642)
Flux de trésorerie		
Sorties de fonds – activités d'exploitation	(679 000)	(777 573)
Entrées de fonds – activités de financement	881 051	885 296
Sorties de fonds – activités d'investissement	(460 818)	(241 570)
Diminution de l'encaisse	(258 767)	(133 847)

La quote-part de l'Organisation dans la coentreprise est de 50 %.

16. RENSEIGNEMENTS COMPLÉMENTAIRES À L'ÉTAT DES FLUX DE TRÉSORERIE NON CONSOLIDÉS

Variation nette des éléments hors caisse du fonds de roulement de fonctionnement, des autres éléments d'actif et des revenus reportés.

	2023 \$	2022 \$
Débiteurs	493 427	(37 331 896)
Frais payés d'avance	(1 279 885)	819 055
Autres éléments d'actif	(6 636)	(8 835)
Créditeurs et charges à payer	(11 138 255)	50 090 025
Revenus reportés	1 589 731	35 676
	(10 341 618)	13 604 025

17. OPÉRATIONS ENTRE APPARENTÉS

En plus des opérations entre apparentés déjà mentionnées dans les états financiers non consolidés, l'Organisation a conclu les opérations suivantes qui ont eu lieu dans le cours normal des activités et qui sont comptabilisées à leur valeur d'échange à l'exclusion des instruments financiers qui en découlent :

	2023 \$	2022 \$
Union des producteurs agricoles		
État des résultats		
Charges d'exploitation : loyer, services techniques et promotion de la profession agricole	911 672	861 483
Produits : intérêts	373 261	129 274
Valacta, société satellite		
État des résultats		
Charges d'exploitation : programmes-qualité du lait, programme proAction et recherche	3 039 233	1 236 419
État de l'évolution du solde à percevoir des producteurs du Fonds du pool		
Distribution des recettes : frais d'analyse des échantillons de lait	2 781 796	2 609 228



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