



VEAL 
Farmers
of Ontario

2019 **ANNUAL REPORT**



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Message from the Chair

Tom Kroesbergen

2019 was a year that certainly challenged us all in agriculture; pricing, weather, market disruptions with global trade agreements and plant closures, more weather challenges, the introduction of plant-based meat substitute products, and uncertainty for the livestock sector in general.

As you review this 2019 Annual Report, it is my hope that you will see the breadth and depth of issues, initiatives and projects that have been undertaken to support our members and our industry. We are a smaller organization compared to some of our industry colleagues, however, I am always amazed, and proud, of the work we have accomplished with the resources we have.

2019 was a busy year with an update to our Strategic Plan, an increase to our licence fees, discussions with the Canadian Beef Check-off Agen-

cy about our role within the National Check-off plan, research and industry education projects aimed at improving male dairy calf health, new transportation regulations, administering and expanding the role of the Canadian Veal Association, and so much more!

One of the highlights for me this past year was being a judge for the finale of the *Ontario's Best Veal Sandwich* competition. Getting to taste the differences between each of the finalist's veal sandwiches, working with our spokesperson John Catucci, and bringing my family into Toronto to be part of this dynamic and exciting event was a thrill. It was a tough job eating delicious veal sandwiches—but someone had to do it! This contest and the promotion it provides the Ontario veal sector has been one of the best investments Veal Farmers of Ontario (VFO) has made.

As another year winds up and we look forward to the year ahead, it is important to say thank you and acknowledge the dedication of your VFO Board of Directors. Thank you as well to our very dedicated and passionate staff for all their efforts in handling the many issues on behalf of the Ontario and Canadian veal industry.

As I step away from my role with the VFO Board and staff, I wanted to say thank you for the opportunity to serve as your Chair. I have learned so much from being part of this organization and industry, and it has been a real privilege to serve Ontario's veal farmers.

Our Values



Animal Care

We value calf health – animal care is our first priority

Quality

We strive for excellence in food safety and quality

Innovation

We foster progress through innovation and research

Leadership

We proactively provide leadership for the veal industry

Teamwork

We take a collaborative approach tackling industry challenges

Accountability

We are open, transparent and strive for excellence in our work

Our Mission

Veal Farmers of Ontario provides leadership to promote industry growth and viability through collaboration, innovation, marketing and education

Our Vision

A proactive and engaged dairy calf and veal industry in Ontario



Message from the **Executive Director**



Jennifer Haley

In 2018, VFO made a decision to focus on the core priorities of our organization and in 2019 we have seen this strategic investment return dividends back to VFO and our members. As you review this Annual Report, you will find a number of issues, initiatives and collaborations where the board and staff have been able to move the Ontario veal industry forward.

To ensure we are focused and continuing to build on our strong foundation, in 2019 VFO updated its strategic plan—laying out the strategic objectives and priorities for the next five years. As part of the updated strategic plan, VFO initiated a licence fee increase with the goal of ‘driving demand’ for Ontario veal. This increase, consistent with our beef industry partners, will be focused specifically on consumer marketing initiatives and programs that will benefit the entire veal cattle supply chain.

While the markets in 2019 were disappointing and at times volatile, VFO’s work with the Risk Management

Program (RMP) ensured that veal producers had a risk management tool available to them to help deal with some of the shortfall. We know that the provincial government is looking for changes to the RMP and VFO, along with our industry partners, is working hard to make sure the integrity of the program remains intact.

Strategically, VFO continues to support and grow our investment in our calf care programs with the goal of improving the quality of the male dairy calves coming into the veal sector. VFO, with our partners in the dairy sector, continues to focus on producer education, communications and research through initiatives like our very popular social media posts #calftiptuesday and monthly e-newsletter *Calf Care Corner*. In order to help bovine veterinarians, VFO has created a new ‘vet portal’ on our www.calfcare.ca website with a number of resources and materials that will help support veterinarians and their clients on-farm. VFO also contin-

ues to fund important research on dairy calf health and welfare through our partnership with the University of Guelph.

At the national level, VFO is a member of the Canadian Veal Association (CVA). It is important that the Canadian veal industry has a strong national voice in order to advocate on issues that will directly benefit Ontario’s veal farmers. To support and drive the CVA, VFO provides administrative and staff resources. There have been a number of priority files that the CVA undertook this past year including collaborating with Agriculture and Agri-Food Canada on the creation and implementation of the Veal Working Group—bringing together industry and government to address veal priority topics; working with the Canadian Food Inspection Agency to prepare for the rollout of the new transportation regulations; and development of a market access strategy for Canadian Veal to the European Union.

Together, the CVA and VFO completed the extensive work required for a change to the upper weight limit of a veal carcass. With consensus from both Quebec and Ontario and collaborations with the Canadian Beef Grading Agency (CBGA), the CVA was able to get approval to move the upper weight limit for a veal carcass from 180 kg to 190 kg—providing a sleeve to manage overweight carcasses. This is great news for the veal industry and is a direct result of good industry communications and partnerships. The last time veal carcass weights were amended was 2001 and the process this time, thanks to the CBGA, was certainly much more efficient, timely, and reflective of the needs of industry.

VFO's marketing programs continue to build momentum with another successful year of *Ontario's Best Veal Sandwich* contest. This program has opened new channels of communication for VFO with not only the consumer but the entire supply chain. VFO works diligently to understand the many different ways that veal is procured for the restaurants and like our farmers, many of our contest participants are independent family run businesses busy trying to do everything. Consumers are passionate about where to find the best veal sandwich which has given us the opportunity to 'change

the conversation' about Ontario veal and introduce other veal cuts and recipe ideas. This past year, we also partnered with culinary schools for an in-class education program for our future chefs as well as expanded our presence on social media to promote veal recipes.

VFO has also partnered with Canada Beef to help promote both Ontario Veal programs and initiatives, and to help support Canadian Veal at the national level. This collaboration, while still being built, will really take off in 2020 with some exciting opportunities to leverage the Canada Beef resources and infrastructure to help bring awareness and demand for Canadian Veal.

This past year, VFO has been working in collaboration with the Canadian Beef Check-off Agency (CBCA) with the shared goal of bringing VFO into the National Check-off system. Together, VFO and CBCA have had some excellent collaborations that will pay out their dividends in 2020 and beyond for our organization. VFO is upholding its commitment and fulfilling its obligations under the national check-off system to not only protect the integrity of the import levy, but also to ensure VFO is able to collect on inter-provincial sales of veal cattle.

Since 2015, when VFO was created by the Farm Products Marketing Commis-

sion, there have been some outstanding issues with respect to how and where our VFO licence fees should be collected and remitted. Throughout the year we have had ongoing discussions and some excellent collaborations with Beef Farmers of Ontario (BFO) to arrive at an industry solution so that both organizations will have clarity with respect to cattle licence fees/check-off. VFO is now working with the Commission on the regulatory amendments that will come into effect later in 2020.

2019 has been a very busy year with several active files and issues for our board and staff to address. VFO strives to use its resources—human and financial—wisely through a strategic focus on the many priorities that impact our industry, and that also drive benefits to our members. Thank you to our dedicated Board members and staff for their commitment, dedication and passion to the industry. As we head into 2020, our fifth anniversary as Veal Farmers of Ontario, we are looking forward to seeing how the investments we have made in 2019 will prosper and develop in the year ahead.



2019

VFO Board of Directors



*Back: Joyce Feenstra, Brian Keunen, Cameron Knip, Phil Kroesbergen, Judy Dirksen
Front: Pascal Bouilly (Vice Chair), Tom Kroesbergen (Chair), Rita Maciukiewicz*

Proudly serving Ontario's veal farmers

VFO is a producer-run organization that represents the interests of Ontario's veal farmers. We work on a variety of industry projects and address the issues directly impacting dairy calf and veal producers, to create a proactive and engaged dairy calf and veal industry in Ontario. The VFO is open, transparent and committed to excellence.

VFO works with our industry partners to strategically address the needs of our sector and lay important foundation blocks that will serve our industry now and into the future. We invite

our stakeholders and customers to engage and invest in research with us that will address the needs of the sector moving forward.

The business of the VFO is handled by a board of directors comprised of eight veal producers from across Ontario. Directors are elected by voting members at each Annual General Meeting (AGM). All directors are elected to a rotating three-year term. Directors work on behalf of the Ontario dairy calf and veal sector on projects, issues, and initiatives that benefit the membership of the organization.



VFO staff

The VFO employs a small team of professionals who are responsible for implementing initiatives and conducting the organization's day-to-day business.





2019

Highlights & Triumphs

Production & Standards

2019 has been an exciting year for the VFO with the launch and completion of several projects to equip producers and their veterinarians with the means to continually improve the health of animals on their farms.

One of VFO's top priorities is establishing a consistent supply of healthy calves. In early spring, VFO launched the *Ontario Calf Health Improvement Program* (CHIP). The goal is to understand and educate producers and veterinarians on calf management and best practices, with emphasis on providing veterinarians with tools and resources to work more effectively with their clients. Some of the specific objectives of this initiative include: understanding the challenges Ontario producers have with calf health, reviewing what Ontario veterinarians are doing well and what more they need to help them prioritize calf health, creating educational resources on calf health management, including protocols, guidelines, and a review of current science and best management practices, developing a website platform to share everything you need to know about calf health and welfare in one central place, publishing an update of VFO's *Building the foundation for healthy calves* manual, first

developed in 2004 as a guide of calf management essentials for producers, and holding regional workshops for veterinarians on how to work with producers to improve calf health. It's a strategic focus on maximizing calf health in Ontario to build healthy and productive herds while ensuring all calves receive the same high standard of care, regardless of gender. Improving the health status of dairy calves reduces mortality and cost of production, increases yields and produces a better-quality product.

VFO also contracted Acer Consulting to conduct a benchmarking study of the calf industry, including focus groups of veal and dairy producers to help gain an understanding of current knowledge, attitudes, and practices of producers when it comes to managing calf health. The purpose was to identify perceived gaps in knowledge and training, barriers to adoption and behaviour change, and views on the most effective outreach channels to encourage adoption, influence attitudes, and increase knowledge. The VFO feels the study will help in our future planning for educational resources for the veal and dairy calf industries. The study showed that despite changes in calf health man-

agement practices over time, many of the same challenges remain.

Data collection for the *Refining diagnostic tools on arrival at veal farms* study, led by Dr. Dave Renaud, University of Guelph, continued in 2019. To date, this project has documented that additional technologies can be used to identify high-risk calves at arrival to a veal facility, with the goal that producers will have validated diagnostic tools and calf arrival protocols to improve calf health and ensure antimicrobials are being used responsibly. This project will be completed by December 2020.

VFO has funded a new project with Dr. Dave Renaud and the University



ACER Consulting



of Guelph called *Immune function and intestinal microbiota*. This innovative project will evaluate how innate immunity and intestinal microbiota change over time and will also use innate lymphocyte function and intestinal microbiota populations to predict morbidity (illness) and mortality. This project began in September 2019 and will be completed in late 2021.

VFO continues to focus on obtaining bovine label claims for products that state “do not use in calves to be processed for veal”, including meloxicam, florfenicol and flunixin; products prioritized by the VFO board of directors. A study entitled *Meloxicam depletion study on dairy calves for grain-fed veal production*, led by Dr. Ron Johnson and Dr. Renaud, wrapped up late 2019. This project was funded through the Canadian Agricultural Partnership and aligns with VFO’s commitment to responsible livestock care and handling, including the use of pain control. The purpose of this study was to establish a withdrawal period for meloxicam use in veal cattle that will allow veterinarians and producers to treat animals with inflammation, fever or pain with confidence.

In addition to mitigating risks at the farm level, Ontario’s veal producers are committed to producing a safe, high quality product. With the com-

mitment by government in the areas of food safety and traceability, the Ontario veal industry must ready itself for changes that may come. The Verified Veal Program (VVP) is an easy to use on-farm food safety program that outlines a set of producer-developed protocols designed to meet the consumer demand for safe, high quality food. Many of these protocols are already being followed on Ontario veal farms. While program uptake in Ontario has been slow, as other commodities continue to incorporate additional modules into their quality assurance programs pertaining to animal welfare and biosecurity, it becomes increasingly important that veal producers take this first step in adopting our own national program. The VFO has also been monitoring the developments of the proposed traceability regulations that are anticipated for 2020.

Through the Canadian Veal Association (CVA), the VFO has been involved in several key initiatives at the national level that will impact both the provincial and national veal sectors. The National Farm Animal Care Council (NFACC) is in the process of updating the *Code of Practice for the Care and Handling of Dairy Cattle* (Dairy Code). The CVA has two roles on the Code Review Committee as both a full member and a special advisor on calves for the Dairy Code, with the goal of ensur-

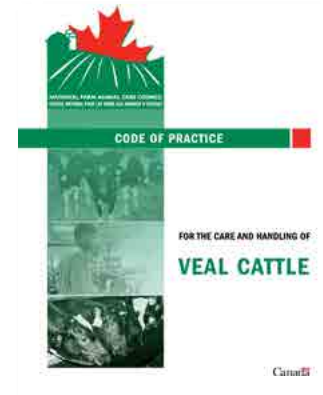
ing consistency in how dairy calves are managed between the *Code of Practice for the Care and Handling of Veal Cattle (Veal Code)* and the Dairy Code. VFO also encouraged veal producers to enhance their understanding of the Veal Code, our industry standard, as we work towards our December 31, 2020 sector goals of group housing calves as young as possible and no later than eight weeks of age, and eliminating tethering of calves.

NFACC is also in the process of updating the 2001 *Recommended Code of Practice for the Care and Handling of Farm Animals* (Transportation Code). This is a large undertaking that will cover all livestock and poultry. The CVA represents both male dairy calves and finished veal cattle on the Transportation Code, as part of the Cattle Working Group comprised of the

beef, veal and dairy sectors, to ensure there are clear requirements and recommended practices specific to their unique needs.

Through the CVA, VFO has been working with the Canadian Food Inspection Agency (CFIA) on clarification of the *Health of Animals Regulations: Part XII-Transport of Animals* coming into effect on February 20, 2020. The new regulations will change how male dairy calves are moved throughout Canada. Given the short implementation time and the changes to how livestock will be transported in Canada, VFO, along with Beef Farmers of Ontario (BFO), Dairy Farmers of Ontario (DFO), Ontario Cattle Feeders' Association, Ontario Livestock Transporters' Alliance, Ontario Livestock Dealers Association (OLDA) and the Ontario Livestock Auction Markets

Association (OLAMA) sent an Ontario Coalition letter to Minister Bibeau, Agriculture and Agri-Food Canada and Dr. Mithani, CFIA, urging our government to delay implementation and work with our sectors on a feasible and practical path forward that better balances the welfare needs of the animals entrusted to our care and aligns with the realities of our existing transportation and commerce systems.



Advocacy & Industry Relations

Established in 2015, VFO continues to adapt as policy concerns and priorities change, and we strive toward our vision of a proactive and engaged dairy calf and veal industry in Ontario. 2019 saw VFO continue to work closely several key industry groups, including the CVA, the Veal Industry Advisory Committee (VIAC), and others, through committee work, representing the Ontario veal sector at industry functions, and participating in provincial and national initiatives that impact the veal industry.

VFO continues to work with the VIAC, which is comprised of representatives from a number of industry groups including DFO, OLDA, OLAMA, BFO and Meat and Poultry Ontario (MPO). The VIAC is chaired by Ontario Farm Products Marketing Commission (OFMPC) member Bette-Jean Crewes and we appreciate the support of the Commission in bringing this important group together.

VFO represents the Ontario veal sector on several key industry councils, including Farm and Food Care Ontario's (FFCO) Animal Care and Farm Environment Advisory Council. This group creates a common forum to discuss issues and provide insight from industry to guide FFCO's animal care and environmental programming. VFO is also a member of the Board of

Directors of the Ontario Livestock and Poultry Council (OLPC), an information-sharing forum on biosecurity and other related topics, and participates in the Ontario Ministry of Agriculture, Food and Rural Affairs' (OMAFRA) Barn Fire Risk Reduction Advisory Panel; this panel is a resource to share information and work on strategies to reduce the incidence of barn fires.

VFO also promotes continual improvement of animal welfare on our farms. The Ontario Society for the Prevention of Cruelty to Animals (OSPCA) abdicated their powers at the end of June. Throughout the winter of 2019, VFO, along with FFCO, the Ontario Federation of Agriculture, the Christian Farmers Federation of Ontario, and livestock commodity groups met regularly, discussing both short and long-term solutions, and drafting a document for the consultation period regarding the accommodations the new legislation should contain. The Provincial Animal Welfare Services (PAWS) Act came into effect January 1, 2020. Together with our fellow livestock commodity organizations, we have worked on this issue in hopes of an Act that would contribute to the development of a long-term animal welfare model that would be positive for all stakeholders. VFO has also offered government and police their support in the event of an on-farm concern.

2019 also marked the launch of the veal Cost of Production (COP) tool, developed by VFO and OMAFRA, which is now available online. The COP tool, created in an Excel format, will help producers calculate their annual costs and use them for planning. It has been designed to accommodate multiple production systems, including growing to finishing, starting with preconditioned calves, or a combination of both. The COP tool is a revision of the previous tool, last updated in 2008. With the very real financial challenges veal producers experienced with prices and bringing veal cattle to market, the VFO board of directors identified updating the COP tool as a priority for our industry. As the Ontario veal sector continues to evolve, tools and resources that help producers determine their COP will be extremely useful for current veal producers and new entrants looking to improve business management and profitability, and better evaluate expansion and start-up opportunities.

The Ontario Agriculture Sustainability Coalition (OASC), comprised of VFO, BFO, and Ontario Pork, was established in 2009 to develop and implement the Risk Management Program (RMP). The RMP is the only insurance program available to help offset low commodity prices, and ris-

ing production costs, that are global in nature and beyond farmers' control. VFO continues to invest resources in both OASC and our government relations and communications strategy to ensure the RMP remains intact and viable for veal farmers. Members of OASC met with Members of Provincial Parliament (MPPs) and their staff to discuss the importance of the RMP

it's needed most. VFO is committed to working with the Ontario government to ensure taxpayers and farmers continue to receive value from the investment made in the RMP. Investment in this program will ensure the program works for farmers while making a significant contribution to Ontario's rural economy.

erations to come. Since OASC's inception, VFO has been represented by Judy Dirksen on the OASC committee. This year, she was joined at Queen's Park by VFO Vice Chair Pascal Bouilly and VFO Director Cameron Knip.

The Beef Cattle Financial Protection Program (BCFPP) is another important risk management tool for the veal



VFO at Queen's Park to support Ontario's Farmers as the Minister of Agriculture tabled - Security from Trespass & Protecting Food Safety Act, 2019



CVA meeting with the Minister of Agriculture



OASC at Queen's Park

to the livestock sector in Ontario. One of the messages delivered to Queen's Park was that OASC appreciates the government's fiscal challenges, but farmers need the promised additional support as soon as possible. The VFO board and staff also engaged with industry partners and OMAFRA to look at how the livestock RMP is structured, whether it is responsive to the needs of the sector, and how to transition the program to an insurance-based model in order to provide protection when

In early November, OASC members spent the day at Queen's Park meeting with MPPs and their staff to discuss the importance of the RMP to the livestock sector in Ontario. In addition to meetings held throughout the day with key MPPs, the OASC also hosted a lunch reception featuring veal, pork and beef, to have a more informal opportunity to discuss how we can work together to make agriculture in Ontario more sustainable and resilient for gen-

industry and VFO has been working with OMAFRA on the changes that they want to see in this program as well. When payment is defaulted to a producer, it is important that the BCFPP is there to help veal and beef farmers recover those losses in order to remain resilient. VFO believes it is important that the regulations outlining the time that producers are to be paid are enforced equally across all buyers of cattle.

VFO also continued to advocate for the veal industry by submitting a pre-budget consultation document in the spring, and showing support for the proposed anti-trespass legislation, that will, if passed, better protect farmers and their animals. VFO congratulates the Minister on taking this decisive and necessary action to protect the province's food supply. In response to the escalation in on-farm protests and trespassing by special interest groups, VFO provided producers with an action list for developing a plan in the event this activity happened on their farm.

News this fall of Ryding-Regency's licence suspension and cancellation has only added to the pressures we are facing in our sector. As Ontario's only federally licenced veal processing plant, there is much at stake for our industry. The veal cattle that Ryding purchased has been displaced, customers have had to go elsewhere for their veal and future opportunities for Ontario veal processed at Ryding are on hold. VFO has been working with our industry partners at BFO, the Canadian Cattlemen's Association (CCA), MPO, and others to try to find solutions to bring Ryding back online. Ryding's absence from the market has highlighted an even bigger issue of a shortage of cattle processing/harvest capacity in Eastern Canada. Our ability to remain resilient depends on the

viability and capacity of the entire supply chain, including our processors, and the cattle industry needs some short- and longer-term solutions to this capacity issue.

VFO also attended an expert consultation on the marketing of male dairy calves in Canada in the spring of 2019 in Vancouver, British Columbia. Meeting participants were recruited through national boards (i.e. Dairy Farmers of Canada, Livestock Markets Association of Canada, Canadian Association of Bovine Veterinarians, NFAACC, etc.) and provincial associations (VFO and Les producteurs de bovins du Québec). An effort was made to have participants from all regions of the country, and all sectors closely involved in the marketing of male dairy calves represented. The project was supported by the National Farmed Animal Health and Welfare Council (NFAHWC). A full report was prepared, including recommendations that were presented at the June NFAHWC meeting.

Together with our Quebec counterparts, the VFO continues to work as a founding member of the CVA to raise awareness of issues impacting the veal sector at the Federal level and address a number of priority files that include the drug labeling and approval process, antimicrobial use and resistance, animal welfare, on-farm food safety and the impact of European veal imports.

The CVA has been instrumental in supporting the Veal Working Group—a national committee comprised of government, industry partners, and veal producer groups (provincial and national), established in 2018 under the Beef Value Chain Roundtable—to review and identify priority issues for the Canadian veal industry. The opportunity to have various departments of the government around the table with veal producer groups has been very beneficial and productive.

To ensure the veal sector remains proactive with respect to our responsibility for prudent use of antimicrobials, the CVA has prioritized a list of bovine-approved veterinary drugs and successfully worked with Health Canada to use the already established bovine Maximum Residue Limits (MRL) for the veal sector. This provides greater access to veal producers and provides assurances to prescribing veterinarians, while complimenting the work done provincially on this issue.

Ahead the 2019 federal election, the CVA developed a fact sheet and encouraged producers to reach out to their local MP candidates to discuss the challenges facing our commodity and learn more about their plans to support the Canadian veal sector. Every conversation is an opportunity to increase their awareness of issues impacting agriculture.

The CVA is also part of the Livestock

Grades Requirement committee that is managed as part of the Canadian Beef Grading Agency (CBGA). Early in 2019, the Safe Food for Canadians Act came into force, thereby repealing the Livestock and Poultry Carcass Grading Regulations and replacing it with an 'incorporated by reference' document prepared by the CBGA—Beef, Bison and Veal Carcass Grade Requirements. This means amendments to the grade standards can potentially be updated more quickly and without changes to the regulation itself. The CVA has partnered with the CBGA to propose amendments that would see an increase in the maximum weight of a veal carcass from 180 kg to 190 kg. The consultation period closed in late December 2019, followed by analysis of the feedback and comments by the CBGA in order to proceed with the proposed amendments in early 2020. The CVA's proposal for the weight change is the first one to be considered under this new process; the last time a change was made in the veal carcass weights was in 2001. The extra 10 kg would give veal processors and veal producers some flexibility to deal with veal cattle that go 'over weight' while still meeting market demands. Together, producers and processors will need to manage inventories and processing times in order to maximize on this opportunity.

The CVA has also been raising concerns at the national level about the

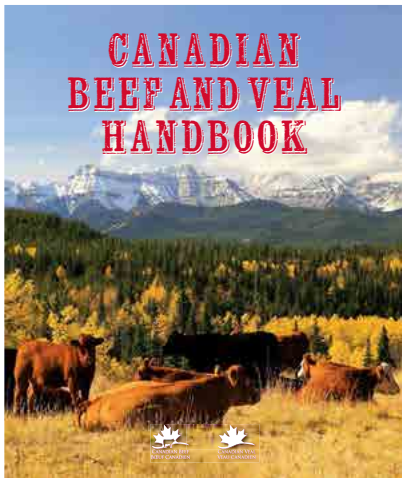
growing volume of veal being imported into Canada from the European Union (EU) due to the removal of a 26.5 per cent tariff on red meat in late 2017 as part of the Comprehensive Economic Trade Agreement (CETA) between Canada and the EU. To date, the EU imports have been predominantly veal. The trend is certainly for these imports to continue rising, putting more pressure on our domestic markets and eventually on the price our farmers will receive for their cattle. The CVA is also concerned about the disparity in the cost of production for European veal and that which is produced in Canada; Europe is the global leader in veal production and a low-cost producer compared to Canada. The CVA strongly believes that product coming into Canada must be produced to the same standards Canadian veal farms are subjected to and will continue to advocate on this issue on behalf of industry.

While European beef and veal is being imported into Canada without restrictions, there are several issues that are impacting our ability to export Canadian veal to the EU. The CVA has been working with our colleagues at both the Canadian Meat Council and the CCA to lobby the EU for a reciprocal trading agreement as there have been markets identified looking for Canadian veal products. Export opportunities can bring some stability in the Canadian veal market by offering an



outlet for additional supply. The CVA is working to develop the protocols, procedures and communications required between industry and government in order to export Canadian veal to the European market.

The CVA and VFO have been working with colleagues at Canada Beef to help further support the promotion of Canadian Veal. Recently, CVA/VFO staff have collaborated with Canada Beef on a revision and update of the *Canadian Beef and Veal Handbook* that is used for export market development. By partnering with Canada Beef, the veal industry has access to several resources and human resource capacity to help build opportunities for the Canadian veal sector. The handbook has been distributed to various industry stakeholders who specialize in export as well as federally licenced beef and veal processors.



Industry relationships

The VFO works closely with a number of industry partners and organizations in order to fulfill the mandate of the association, including:

Agricultural Adaptation Council
Agscope
Beef Farmers of Ontario
Canadian Animal Health Institute
Canadian Cattlemen's Association
Canada Beef
Canadian Meat Council
Canadian Veal Association
Christian Farmers Federation of Ontario
Dairy Farmers of Ontario
Farm & Food Care Ontario
Foodland Ontario
Les producteurs de bovins du Quebec
Livestock Research Innovation Council
Meat & Poultry Ontario
National Farm Animal Care Council
Ontario Agricultural Commodity Council
Ontario Agricultural Sustainability Coalition
Ontario Animal Health Network
Ontario Cattle Feeders' Association
Ontario Federation of Agriculture
Ontario Livestock Auction Markets Association
Ontario Livestock Dealers Association
Ontario Livestock & Poultry Council
Ontario Livestock Transporters' Alliance
Ontario Ministry of Agriculture, Food & Rural Affairs
Ontario Pork
President's Council

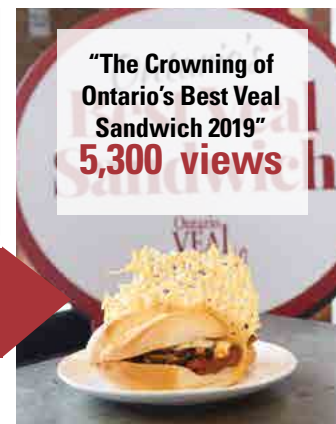
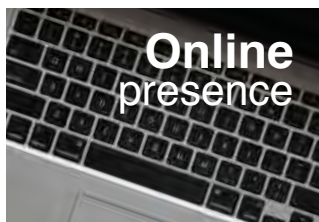


Marketing & Promotions

VFO had an ambitious consumer marketing program for 2019, that continued to build and grow the very popular search for *Ontario's Best Veal Sandwich* (OBVS), with the finale of the competition taking place in early June. VFO also expanded the Culinary Education Program to more culinary colleges to talk about Ontario veal with aspiring chefs. New and interesting veal retail promotions raised the level of awareness for Ontario veal and drove demand for our great veal product.

Vealing Delicious, the VFO's monthly e-newsletter featuring new recipes, was discontinued in 2019 and replaced with a new blog format. The accompanying *Ontario Veal Appeal* social accounts

continue to be excellent avenues of connecting with consumers to increase veal consumption and have shown significant growth this year. The VFO consumer promotions strategy is multi-faceted in order to strategically target opportunities to drive demand for Ontario and Canadian veal while stretching and maximizing our budget.





Congratulations to our winners of the 2019 search for OBVS, Kantene Restaurant in Mississauga. Kantene was a semi-finalist in last year's contest and this year, Chef Harith Darshana created a spectacular veal sandwich that surprises with bright, fresh flavours. Named *Veal Supreme*, it's topped with grilled eggplant and melted bocconcini in a fresh tomato-based basil sauce, with melted Provolone and crispy Parmesan on a soft bun. With 83 veal sandwich-makers nominated and three rounds of judging, Kantene's win has been well-earned. The final event in the sandwich search had the top three makers presenting their best in front of friends and family at The Market Kitchen in Toronto's historic St. Lawrence Market. Judging was overseen by John Catucci, host of *You Gotta Eat Here!* and the new *Big Food Bucket List* on Food Network Canada, last year's winners Sian Burns and Dina Marsillo of Kitchener's

Nostra Cucina, and Tom Kroesbergen, VFO Chair. One of the things that is abundantly clear from the contest is that veal farmers and our contestants have a lot in common and really make for a perfect partnership!

Part of the OBVS contest involves confirming the origin of the veal used in the sandwiches, and as a result of these conversations, VFO will be developing new marketing materials to support our restaurant partners, as well as an education and awareness program for restaurant operators and suppliers about Ontario veal and the importance of sourcing quality Ontario veal for their customers. The relationships we have built, the lessons learned and the industry information and feedback we have gained as a result of the search for OBVS are far more than we anticipated and makes the return on investment into these promotions that much greater for all involved in the Ontario veal sector.



VFO and edana integrated marketing not only found *Ontario's Best Veal Sandwich*, but also earned kudos on the 2018 marketing campaign from the Toronto chapter of the International Association of Business Communicators (IABC). For building significant word-of-mouth for Ontario veal via social media, traditional media outlets and the foodservice trade the IABC Ovation Awards' judging committee recognized the program with an Award of Merit in Marketing Communications.



Leading into early 2019, VFO toured culinary colleges across the province teaching the next generation of chefs about Ontario veal's premium profile, menu versatility and profitability as well as the unique farming and flavour attributes. Following those lectures, several schools held internal competitions to find out who made the best veal sandwich. The three student finalists participated in the final competition at the 2019 Restaurant Canada Show in Toronto, alongside emcee John Catucci, competing to impress a selection of industry, media and chef judges for the honour and recognition of their veal sandwich superiority in Ontario. Lambton College's Clarisse Gibbons and Jacob Douglas placed first in the search for *Ontario's Best Veal Sandwich* by a *Culinary Arts Student* competition.

The Ontario Veal Appeal team kicked off the new and updated 2019 Veal Culinary Education Program with visits to Humber College, Algonquin College, Le Cordon Bleu Ottawa Chef School, and Centennial College in late fall. The seminar is a mix of veal farming and production practices, veal attributes, as well as veal cooking demonstrations and offering veal samples for tasting. With the help of Chef Stefan and Chef David, culinary students are being exposed to traditional veal recipes as well as modern plating presentations. The goal of the veal culinary education program is to target the next generation of food service professionals to raise the level of awareness about Ontario veal and encourage them to cook with it as they move through their career.

Screenings of Dylan Sher's film *Before the Plate* were held across Canada,

including an event hosted by FFCO in Toronto in April. The screening was followed by a reception sponsored by commodity groups, including VFO, under the ON Common Ground banner. Joyce Feenstra, VFO Director, attended to interact with food influencers and answer questions about veal production. The film follows young farmers and industry experts to show the general population what a Canadian farm operation looks like and answer the most pressing questions consumers have about food. The ON Common Ground banner also provided another opportunity for commodities to collaborate for a presentation and producer panel discussion on sustainability in the agricultural sector at the Nutrition Connections conference, reaching an audience of dietitians, home economists, public health nurses, non-profits and government.

Local food week was held in early June, as an event designed to celebrate local food and inspire consumers to incorporate more local product in their meals. VFO engaged with consumers through our social accounts, sharing veal recipes featuring Ontario-grown products and directing them to MPO's website to find a local butcher and source veal locally. Producers were encouraged to get involved using the #loveontfood hashtag and sharing their favourite way to choose local.



Ontario Agriculture Week
October 7 to 13, 2019

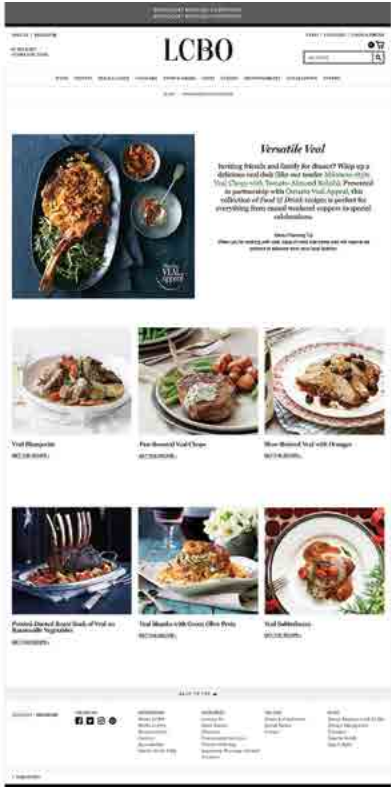
VFO also used social media campaigns for Canada's Agriculture Day in February, helping consumers see the connection to where their food comes from and the people who produce it, and Ontario Agriculture Week in October, celebrating the abundance of food Ontario farmers produce, and their contributions to our province.

Breakfast on the Farm provides a unique opportunity for farmers and non-farming Ontarians to have a conversation about food and farming. VFO attended Breakfast on the Farm at Cnossen Holsteins in June. It was a great opportunity to connect with consumers about food and farming, and hand out veal recipes for summer entertaining.

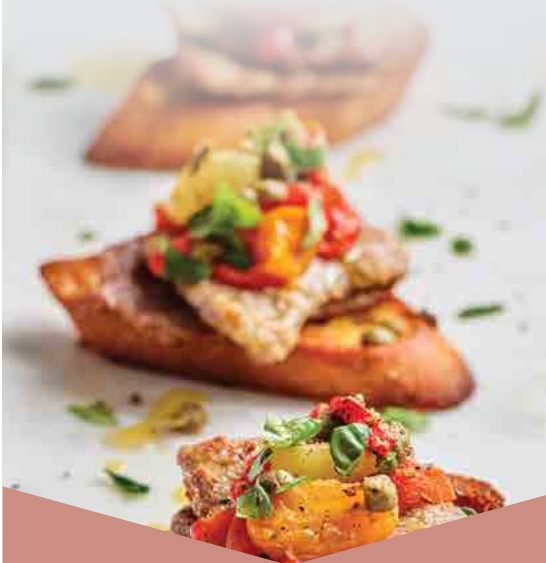
Jeff Robinson, a dairy farmer from just south of Ottawa, also goes by the alias the Travellin' Farmer. When he's not home working on the farm, Robinson can be found out with his trailer educating families about how their food is produced at fall fairs and community events in Eastern Ontario. These efforts are supported by VFO, along with other commodities and the local farm community.

VFO participated in the Meat & Poultry Expo held in Niagara Falls at the end of October. This was an opportunity to support our provincial meat plants and processors while at the same time connect with industry stakeholders and retailers about Ontario veal.

Launching in time for the holiday entertaining season, Ontario Veal Appeal partnered with the LCBO to promote veal recipes alongside wine and craft beef pairings. The LCBO is a key consumer demographic for our promotions—the wine and the veal consumer share very similar traits and attributes. Combine this with the drive to social media for recipe ideas and meal inspirations, and the goal is to raise the level of awareness for veal. Market research indicates that veal is often served as a special occasion meal or as part of entertaining planning, so we are bringing the information right to the consumer's fingertips.



CVA at the Canadian Beef & Veal Pavilion organized by Canada Beef at the Grocery Innovation Canada trade show



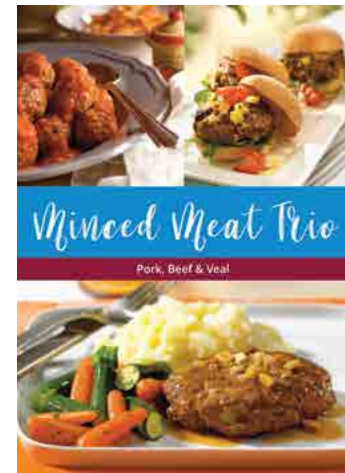
The CVA and VFO have been working with colleagues at Canada Beef to help further support the promotion of Canadian Veal, and were part of the Canadian Beef and Veal Pavilion organized by Canada Beef at the Grocery Innovation Canada (GIC) tradeshow held in Toronto in October. This was an opportunity for the CVA to better understand the resources required to participate in shows of this nature, as well as get important industry feedback on what retailers are looking for in order to promote veal sales across Canada.

The Independent Retailer Operators Program (IROP) is a new point of purchase merchandising kit created by Canada Beef and Canadian Veal in

partnership with the Canadian Federation of Independent Grocers (CFIG). The kit provides retailers with case dividers, on-package stickers, channel strips and a beef and veal consumer recipe booklet. The goal is to provide independent retailers with beef and veal marketing support that they otherwise would not be able to do on their own. The IROP is available to all retailers across Canada free of charge.

In an effort to promote minced (ground) meat to consumers, Canada Beef and Canadian Veal, along with Canada Pork and the Canadian Meat Council, put together a *Minced Meat Trio* e-booklet featuring beef, veal and pork recipes. By partnering with Can-

ada Beef and Canada Pork, Canadian Veal is able to reach more consumers and raise the level of awareness for our product.



Operations

At the 2019 AGM, VFO Chair Tom Kroesbergen announced that the VFO Board of Directors would mirror the decision of the resolution approved at the BFO AGM to increase the cattle check-off from \$4.00 to \$5.50 per head, to maintain market neutrality and further invest in the development of the Ontario veal sector. The \$1.50 increase came into effect on November

1, 2019. VFO and BFO had joint communications with industry partners to implement these changes in an integrated and transparent process. The additional licence fees collected are directed towards marketing initiatives aimed at developing an export market, engaging with retailers to showcase our product, and expanding programs that encourage

consumers to incorporate Ontario veal into their meals both every day and on special occasions. As VFO creates more opportunities to grow demand for Ontario veal and addresses industry issues with processing capacity, farmers will feel the effects of a more stabilized market for quality male dairy calves in all areas of the supply chain.

Member Relations

VFO is committed to promoting and enhancing Ontario's veal industry through innovation, marketing, advocacy, and education. This includes developing and implementing communication strategies for producers, processors, government, and the general public through a quarterly magazine, weekly and monthly e-newsletters, social media, and online services, along with attendance at industry events.

With 2019 came a fresh, new look for VFO's quarterly member communications. *The Connection* magazine was introduced in the Spring, highlighting the work VFO does on behalf of the veal cattle and dairy calf sector, including how licence fees are used to drive demand for Ontario veal, production articles to help optimize calf and cattle raising, and relevant industry news. With the revitalization of our communication tools, VFO has strengthened and solidified our position as your calf care partners. The VFO also distributes information electronically via the weekly *The Connection* e-update.

The @OntarioVeal twitter account, designed for producers, continues to be a well-used communication tool for





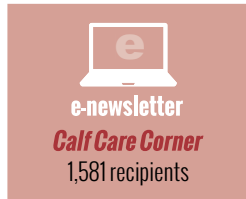

farmers. The *Veal Market Report* app for iPhone and Android, along with the weekly e-distribution of the market report via Twitter and *The Connection* e-update, continue to provide producers with timely market information so they can make informed business decisions.

VFO has two websites, the ontarioveal.on.ca corporate site for producer information, and the calfcare.ca education site, which provides a large knowledge base for producers raising calves. VFO's *Calf Care Corner* e-newsletter is released monthly to producer members and industry partners. A monthly *Calf Care Corner* column in DFO's *Milk Producer* print publication provides an additional avenue to share informa-

tion pertaining to neonatal calf health with producers. *Calf Care Corner* has a Facebook page and Twitter account dedicated to sharing calf raising tips to ensure all calves get off to a healthy start. This spring also marked the launch of #calftiptuesday, a weekly graphic highlighting a calf raising tip and accompanying article, on our *Calf Care Corner* social media channels. Our reach for both our corporate and education social media channels continued to grow significantly in 2019.



Online presence

 <p>Website ontarioveal.on.ca calfcare.ca</p>	 <p>Twitter @OntarioVeal 936 followers</p>	 <p>Twitter @CalfCareCorner 406 followers</p>	 <p>e-newsletter <i>The Connection</i> 488 recipients</p>
 <p>Facebook @CalfCareCorner 8,564 followers 8,347 likes</p>	 <p>e-newsletter <i>Calf Care Corner</i> 1,581 recipients</p>	 <p>YouTube Calf Care Corner</p>	



2019 also marked the launch of the updated Calfcare.ca website. Calfcare.ca is an online e-toolbox created by VFO for producers and industry professionals navigating challenges with calf health, welfare, and nutrition. This website provides relevant and timely information that will continuously improve the care of all calves. A portal for veterinarians, complete with summaries of the current science on all aspects of calf care, evidence-based recommendations for treating common conditions, and tips for building calf health into a routine herd health program, is a new part of the refresh of this website. VFO also attended the Ontario Association of Bovine Practitioners Fall Continuing Education Meeting to connect with veterinarians and promote this great resource.



VFO attended the South Western Ontario Dairy Symposium and the Canadian Dairy XPO (CDX) in the early part of 2019, and Canada's Outdoor Farm Show in September, connecting with new and existing members, discussing industry issues, promoting calf care and distributing resources. VFO encouraged producers to visit our booth, tweeting throughout the day and promoting our location on both the VFO and Calf Care Corner social media channels. Attendance at events alongside our industry partners will continue to show our commitment to the dairy calf and veal sectors.

VFO sponsored the "Using beef sires in your herd" panel talk in the Dairy Classroom at CDX as part of our mandate to bring programs and education to our members and provide value for the licence fees we collect. Along with perspectives from calf buyers and industry specialists, the panel also featured dairy farmers who incorporate beef genetics in their breeding programs. They provided key insights on how they make it work for their herds, such as which cows to select, calving considerations and how they market their beef-cross calves. Discussion on what the market currently looks like in

this rapidly changing landscape to predictions for the future had the audience engaged and approaching our panelists after the talk was over to continue the conversation.



CDX panel (L to R): Kendra Keels, Rita Maciukiewicz, Aaron Keunen, Brad Gilchrist, Craig Connell

Producer Day

VFO was a proud sponsor of Producer Day, a one-day special event from the organizers of the Smart Calf Rearing Conference, held in early November at the University of Guelph. This farm-focused session showcased current research and new approaches to dairy calf nutrition, welfare, and health. The program also featured a panel of accomplished dairy farmers from across North America. Kendra Keels, VFO's

Industry Development Director, moderated the conversation as they shared their top calf-rearing tips and fielded questions from the audience.

Along with producer education, VFO was fortunate to be involved with providing information to students asking to learn more about veal. Kendra Keels, VFO's Industry Development Director, delivered a lecture to 100 students at

the University of Guelph's Ridgetown Campus in November. She helped dispel myths about veal production, shared the work VFO does to support calf care, and created partnerships with the next generation of calf-raisers. VFO has also distributed educational resources to schools and fairs across the province.

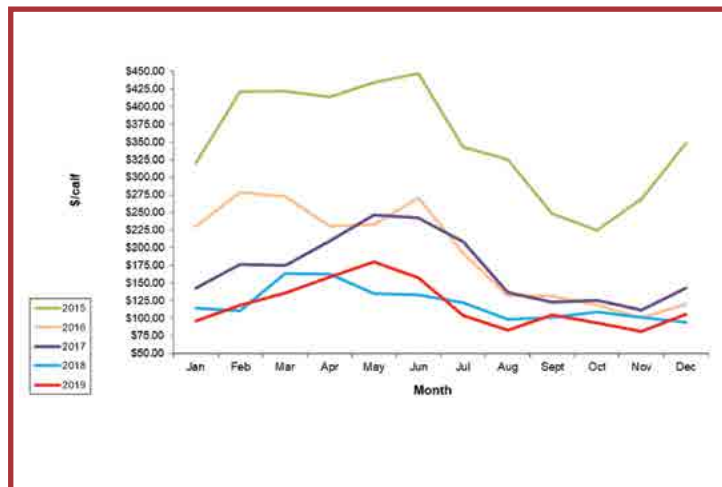




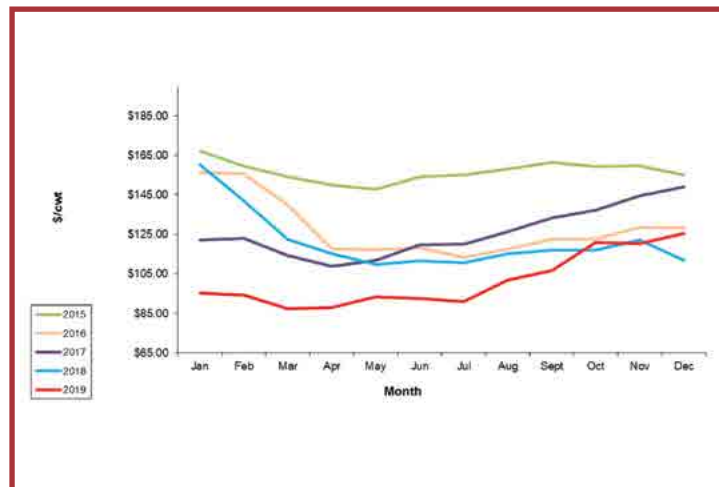
Veal Market Information

Veal market data is collected electronically from Ontario sales barns.

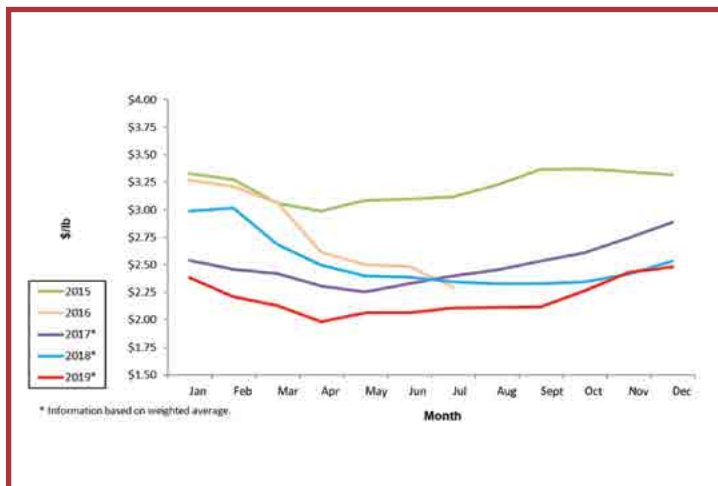
Bob Calf Pricing



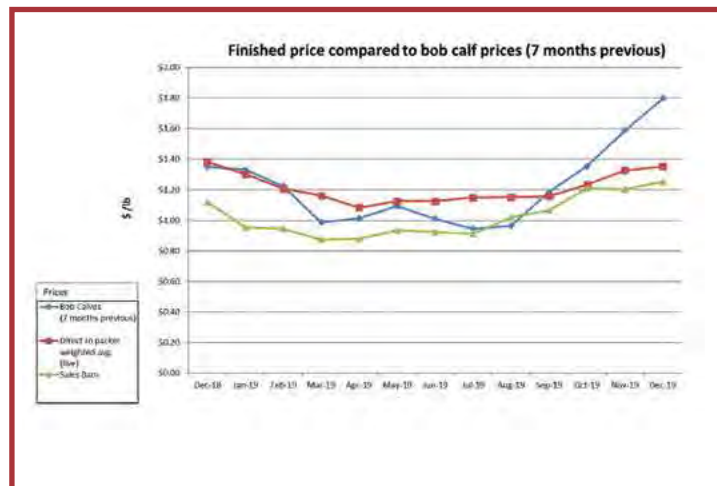
Sale Barn Veal Pricing



Rail Grade Veal Pricing



Finished Pricing





2019 Financials

INDEPENDENT AUDITOR'S REPORT

To the Members of: Veal Farmers of Ontario

Opinion

We have audited the accompanying financial statements of Veal Farmers of Ontario, which comprise the statement of financial position as at December 31, 2019 and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Veal Farmers of Ontario as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis of Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: www.rlb.ca/additional-auditor-responsibilities. This description forms part of our auditor's report.



Guelph, Ontario
February 24, 2020

Chartered Professional Accountants
Licensed Public Accountants

VEAL FARMERS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash (note 6)	\$ 164,059	\$ 213,264
Short term investments (note 4)	950,082	1,058,531
Accounts receivable	<u>119,735</u>	<u>168,805</u>
	1,233,876	1,440,600
CAPITAL ASSETS (note 5)	<u>37,959</u>	<u>19,455</u>
	<u>\$ 1,271,835</u>	<u>\$ 1,460,055</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 26,814	\$ 30,171
Government remittances payable	11,342	16,501
Deferred sponsorship income	<u>1,500</u>	<u>0</u>
	39,656	46,672
NET ASSETS		
INTERNALLY RESTRICTED FUND	500,000	500,000
UNRESTRICTED FUND	<u>732,179</u>	<u>913,383</u>
NET ASSETS	<u>1,232,179</u>	<u>1,413,383</u>
	<u>\$ 1,271,835</u>	<u>\$ 1,460,055</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Internally Restricted Fund	Unrestricted Fund	Total 2019	Total 2018
NET ASSETS, beginning of year	\$ 500,000	\$ 913,383	\$ 1,413,383	\$ 1,356,815
Net (deficit) surplus of revenues over expenditures for the year	<u>0</u>	<u>(181,204)</u>	<u>(181,204)</u>	<u>56,568</u>
NET ASSETS, end of year	<u>\$ 500,000</u>	<u>\$ 732,179</u>	<u>\$ 1,232,179</u>	<u>\$ 1,413,383</u>

VEAL FARMERS OF ONTARIO**STATEMENT OF REVENUES AND EXPENDITURES****FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
REVENUES		
License fees	\$ 547,679	\$ 555,837
Toronto Stock Yard distribution (note 7)	226,522	222,232
Project income	141,004	20,000
Advertising	19,970	25,380
Cost sharing recovery	16,667	197,216
Interest	16,110	15,381
Annual general meeting	4,533	3,410
Miscellaneous	1,935	12,500
Memberships, conferences and workshops	38	69,285
	<u>974,458</u>	<u>1,121,241</u>
EXPENDITURES		
Wages and benefits	409,378	440,319
Program expenses	292,542	188,532
Consumer education and communication	252,778	194,024
Director expenses	47,867	67,350
Rent	44,205	54,172
Office	34,545	35,316
Producer communications	18,890	28,585
Amortization	14,596	11,397
Telephone	9,461	12,726
Professional fees	8,952	10,029
Memberships	6,283	6,375
Utilities	6,121	6,871
Repairs and maintenance	5,270	4,866
Insurance	2,511	2,275
Interest and bank charges	2,263	1,836
	<u>1,155,662</u>	<u>1,064,673</u>
NET (DEFICIT) SURPLUS OF REVENUES OVER EXPENDITURES for the year	<u>\$ (181,204)</u>	<u>\$ 56,568</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
(Deficit) surplus of revenues over expenditures for the year	\$ (181,204)	\$ 56,568
Items not requiring an outlay of cash		
Amortization	14,596	11,397
Gain on sale of assets	(1,935)	0
Unrealized gain/loss on investments	<u>(11,969)</u>	<u>(7,492)</u>
	(180,512)	60,473
Changes in non-cash working capital		
Accounts receivable	49,070	(34,403)
Accounts payable and accrued liabilities	(3,357)	(1,947)
Government remittances payable	(5,159)	5,933
Deferred income	<u>1,500</u>	<u>0</u>
	<u>(138,458)</u>	<u>30,056</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to capital assets	(33,100)	0
Short term investments	120,418	(7,889)
Proceeds on disposal of capital assets	<u>1,935</u>	<u>300</u>
	<u>89,253</u>	<u>(7,589)</u>
NET (DECREASE) INCREASE IN CASH	(49,205)	22,467
NET CASH, BEGINNING OF YEAR	<u>213,264</u>	<u>190,797</u>
NET CASH, END OF YEAR	<u>\$ 164,059</u>	<u>\$ 213,264</u>

VEAL FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. PURPOSE OF THE ORGANIZATION

Veal Farmers of Ontario is a tax exempt producer-run organization established by Provincial legislation under the Farm Products Marketing Act to support the veal industry in Ontario through innovation, marketing, advocacy and education.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and fixtures	- 20 % declining balance basis
Leaseholds	- 5 years straight line basis

Amortization is recorded at 50% of the above rates in the year of addition.

(b) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include the useful lives of capital assets. Actual results could differ from those estimates.

(d) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FINANCIAL INSTRUMENTS (continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(e) FUND ACCOUNTING

Unrestricted fund

The unrestricted fund reports resources available for the organization's general operating activities.

Internally restricted fund

The internally restricted fund reports resources allocated by the organization for expenditures in future years and that are not to be distributed for general operating activities.

(f) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the unrestricted fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the unrestricted fund when received or receivable and collection is reasonably assured.

Cost sharing recovery, license fees, Toronto Stock Yard distribution, and memberships, conferences and workshops revenues are recognized when earned.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2019 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart

4. SHORT TERM INVESTMENTS

Short term investments consist of:

	2019	2018
BMO Cashable GICs, interest at 1.700% compounded annually, increasing to 2.05% in year two and 2.25% in year three, maturing February 22, 2021	\$ 80,353	\$ 78,555
BMO GIC, interest at 1.60% compounded annually, increasing to 1.85% in year two and 1.95% in year three, maturing December 22, 2020	543,185	533,667
BMO GICs, interest at prime less 2.70% compounded annually, maturing December 7, 2020	300,237	0
BMO GICs, interest at prime less 2.70% compounded annually, maturing February 18, 2020	26,307	0
BMO GICs, interest at prime less 2.70% compounded annually, matured December 20, 2019	0	420,818
BMO Cashable GICs, interest at 0.650% compounded annually, increasing to 0.75% in year two and 0.75% in year three, matured February 19, 2019	0	25,891
	<u>\$ 950,082</u>	<u>\$ 1,058,931</u>

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2019	Net 2018
Furniture and fixtures	\$ 1,544	\$ 386	\$ 1,178	\$ 1,472
Leaseholds	<u>88,058</u>	<u>51,277</u>	<u>36,781</u>	<u>17,983</u>
	<u>\$ 89,602</u>	<u>\$ 51,643</u>	<u>\$ 37,959</u>	<u>\$ 19,455</u>

6. BANK INDEBTEDNESS

The organization has utilized \$0 (2018 - \$0) of an authorized operating line of credit with a limit up to a maximum of \$50,000. The line of credit bears interest at prime plus 1.5%. The line of credit is secured by a GIC with principal of \$75,000. No conditions regarding this loan have been breached at year end and no accrued interest relating to this loan is owing.

7. TORONTO STOCKYARDS LAND DEVELOPMENT BOARD

The former Toronto stockyards land has been developed as a commercial rental property by the Toronto Stockyards Land Development Board. The organization receives a dividend from this organization.

8. COMMITMENTS

The organization has various operating leases for the premises and equipment. Future minimum lease payments are as follows:

2020	\$ 24,715
2021	25,242
2022	25,777
2023	26,111
2024	<u>20,929</u>
	<u>\$ 122,774</u>

THANK YOU TO OUR ANNUAL SPONSORS



THANK YOU TO OUR 2020 AGM SPONSORS



VEAL FARMERS OF ONTARIO

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