



VEAL 
Farmers
of Ontario

2018 **ANNUAL REPORT**



Table of **contents**

- 4 Message from the Chair
- 6 Message from the Executive Director
- 8 VFO Board of Directors & Staff
- 10 Highlights & Reports
- 24 Financial Reports

Also available online at ontarioveal.on.ca
Supplement to *The Connection* magazine, Summer 2019



Message from the **Chair**

Tom Kroesbergen

2018 has been a year that can best be described as one of focusing on our core priorities as an organization. Just like in our veal operations, the Veal Farmers of Ontario (VFO) has limited resources with which we can use to really focus on the issues that will provide the most benefit to our members.

Making decisions about the best investment of our time and money in order to achieve our organization's goals is a top priority for the VFO Board of Directors. Our strategic plan is our guide in helping to make these decisions and as a result the VFO continues to invest in programs, projects and initiatives that help drive our strategic plan forward.

While it has not always been an easy process to navigate over the past year, the decision to wind up the partnership of the Livestock Alliance has meant that our staff are now exclusively focused

on veal issues. While the concept of the Livestock Alliance partnership still makes sense to the VFO, we know we also need to have partners who are both financially and organizationally stable in order to be truly successful.

I am so pleased and proud of the work we have done within our consumer promotions programs. The competition to find "Ontario's Best Veal Sandwich" has been by far one of the best investments the VFO has made in promoting Ontario Veal to consumers. This contest has stimulated interest for our product beyond what we hoped to achieve and with our celebrity spokesperson John Cattuci, it has really changed the conversation about veal with the consumer!

New this year, the VFO also introduced a Culinary Education Program that gave us the opportunity to interact with culinary students and future foodservice professionals to talk about

veal and how it can be incorporated into menus. Many of the students had never tried veal before but were so eager to learn more about cooking with our high quality product. Our investment in these programs is long-term but has the potential to have the biggest return for our industry.

Our Calf Care producer education program is also growing and evolving; the Healthy Calf Conference saw record breaking attendance and our work in getting calves off to a strong start continues to gain traction. The VFO also continues to invest in innovative dairy calf research and implement industry education projects to help our sector be more efficient. No other organization focuses on the dairy calf and finishing veal cattle the way we do. The VFO truly is your calf care partner.

In order to ensure the VFO as an organization remains on a solid foundation,

we continue to work with the Ontario Farm Products Marketing Commission to ensure our regulations reflect the reality of how dairy calves and finished veal cattle are marketed. Collecting license fees from our members in order to continue to do the work we have set out to do in our strategic plan is both a privilege and a responsibility that we do not take lightly and one that we will not defer.

Thank you to the VFO Board of Directors for their contributions, input and discussion not only around the board table but while representing our organization and advocating for our industry. Thank you as well to our dedicated, professional and passionate staff for all their efforts in handling the many issues our organization addresses on behalf of both the Ontario and Canadian veal industries. I am very proud of how well our board and staff work together

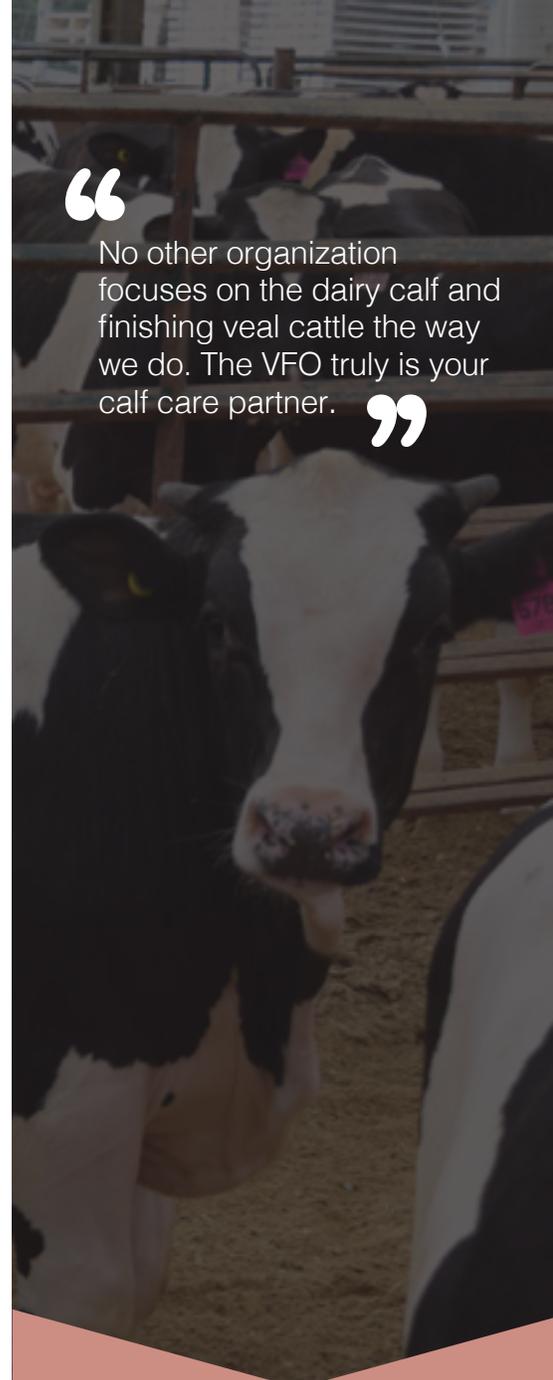
as a coordinated team on behalf of our members.

Looking forward to 2019, I know we will have some challenges ahead with pricing and bringing veal cattle to market, but there will also be opportunities which we can harness both as producers and as an organization.

Thank you for your continued support of the VFO, your Board of Directors and staff as we continue to focus on the core priorities that will benefit us all.



No other organization focuses on the dairy calf and finishing veal cattle the way we do. The VFO truly is your calf care partner.



Message from the **Executive Director**



Jennifer Haley

As you review this annual report, you will notice a wide span of issues, projects, initiatives and collaborations completed on behalf of all involved in the Ontario veal industry and all our valued members. Whether you are a supplier of dairy calves or you finish veal cattle, you are a supplier or a processor; we are all in this together. The VFO is focused on its goal of creating a proactive and vibrant sector.

The “Ontario’s Best Veal Sandwich” contest has been an amazing consumer marketing program for the VFO. Not only does it provide us an opportunity to engage the entire veal value chain, but it has provided us with a platform to promote veal to a very receptive and influential audience. Consumers are passionate about their veal sandwiches and so are the many restaurants that take our product and feed this passion. Congratulations to Nostra Cucina and thank you for being such great ambassadors of Ontario Veal!

The VFO continues to work with the Ontario Farm Products Marketing Commission to ensure that our regulations and license fee collection system are efficient, responsive and representative of the how both dairy calves and finished veal are marketed. We continue to improve our license fee collection system and member database, and appreciate the cooperation and collaboration we have with our industry partners.

The Risk Management Program (RMP) for the veal sector is a vital business risk management tool for our producers and with the change of government in this past year’s election, we have spent a considerable amount of time educating our newly elected Members of Provincial Parliament about how the RMP works and why it is so important to the non-supply managed livestock sector. At the same time, we continue to work with staff at the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) to continually improve the

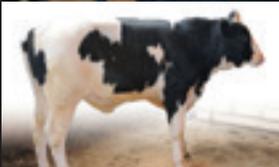
program to ensure it remains timely and predictable.

These are just some of the highlights—add to this the VFO’s investment this past year in dairy calf research, education, communications, industry development and collaborations with our partners, and I hope you will get the sense that we continue to strive to be a high-performing organization with a strategic focus on using our limited resources wisely.

Thank you to our VFO staff who continue to advocate, initiate and communicate with a focused goal for not only the betterment of the entire Ontario veal industry but for each individual member as well. Our staff continue to hold the rudder on these unpredictable waters with their passion and expertise working alongside the captains of the ship—the VFO Board of Directors. With a focused team approach we look forward to what 2019 will bring.

A handwritten signature in blue ink, appearing to read "Jen".

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 vibrant Ontario veal industry

2018

VFO Board of Directors



Back: Brian Keunen, Jim Millson, Pascal Bouilly (Vice-Chair), Phil Kroesbergen, Tom Kroesbergen (Chair) Front: Judy Dirksen, Rita Maciukiewicz, Joyce Feenstra

Proudly serving Ontario's veal farmers

The 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 vibrant Ontario veal industry. The VFO is open, transparent and committed to excellence.

The 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 are responsible for attending Board meetings and participating in teleconference meetings. On average, each VFO director spends approximately 10 days each year attending Board meetings, committee meetings and representing Ontario's veal farmers at other industry activities.



VFO staff

The VFO employs professional and dedicated staff members who are responsible for implementing initiatives and conducting the organization's day-to-day business. Under the direction of the Executive Director, who works closely with the VFO Board of Directors, and as part of our governance model, staff work in a number of areas as outlined by the VFO's Strategic Plan. This past year saw a contraction in our staff team due to the dissolution of the Livestock Alliance partnership and those pursuing other opportunities, and we thank all who work hard on our behalf.

Membership

The VFO's membership database continues to grow, increasing to 2,945 producers in December 2018, up

from 1,976 in December 2017.





2018

Highlights & Reports

Production & Standards

2018 has been an exciting year for the VFO with the launch and completion of several projects to equip producers with the means to continually improve the health of animals on their farms. One of the top priorities of the VFO is establishing a consistent supply of healthy calves. The “Evaluation of risk factors of morbidity and mortality in dairy calves” study, led by Dr. Dave Renaud, wrapped up in December. The results of this project suggest that a stronger partnership between dairy and veal producers can reduce veal mortality through a focus on known risk factors, and that testing cleanliness has the potential to reduce calf morbidity (sickness) and mortality. Dr. Renaud also began the data collection phase of the “Refining diagnostic tools on arrival at veal farms” study in the fall. The goal of this project is to provide producers with validated diagnostic tools and calf arrival protocols to improve calf health and ensure antimicrobials are used responsibly.

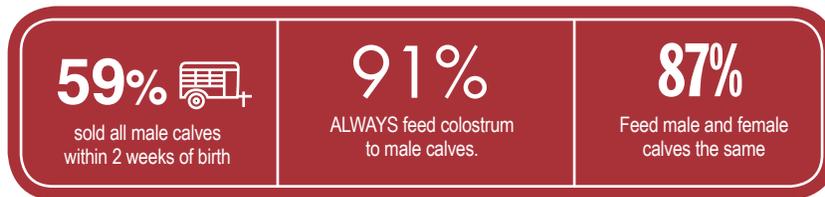
The VFO continues to focus on obtaining bovine label claims for products that state “do not use in calves to be

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, began last year. The purpose of this study is to establish a withdrawal period for meloxicam use in veal cattle that will

high quality product. With the commitment 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 2019.

As part of their commitment to animal welfare, the VFO submitted comments in support of the proposed changes to section XII of the *Health of Animals* reg-



For more information on this VFO-funded research, see nationaldairystudy.ca/calf-health

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,



ulations, recognizing the importance of updating the animal transportation regulations from an animal health, welfare and economic standpoint and ensuring the Ontario veal sector's voice was heard. Through the CVA, the VFO has also requested that both bob calves and finished veal cattle be represented during the *Code of Practice for the Care and Handling of Farm Animals: Trans-*

portation update, to ensure there are clear requirements and recommended practices specific to their unique needs. The VFO has also lobbied the Canadian Food Inspection Agency (CFIA) to enforce the age of transport at eight days for calves, to improve calf health and welfare.

As part of the VFO's commitment to champion the adoption of the *Code of*

Practice for the Care and Handling of Veal Cattle (the Code), producer members received a hard copy of the Code in early 2018. This resource was provided to help farmers meet some of the revised industry standards. The Code has a phase-in timeline for housing requirements, including several that came into effect in July 2018.



Advocacy & Industry Relations

Established in 2015, the VFO continues to adapt as policy concerns and priorities change, and we strive toward our vision of a proactive and vibrant Ontario veal industry. 2018 saw the VFO continue to work closely several key industry groups, including the CVA, the Veal Industry Advisory Committee (VIAC), the Ontario Society for the Prevention of Cruelty to Animals (OSPCA) 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.

The VFO continues to work with the VIAC, which is comprised of representatives from a number of industry groups including Dairy Farmers of Ontario (DFO), Ontario Livestock Dealers Association (OLDA), Ontario Livestock Auction Markets Association (OLAMA), Beef Farmers of Ontario (BFO) and the Ontario Independent Meat Processors (OIMP). The VIAC is chaired by Ontario Farm Products Marketing Commission (OFMPC) member Valerie Hobbs and we appreciate the support of the Commission in bringing this important group together.

The VFO also 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 help guide FFCO's animal care and environmental programming. The 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.

Collaborating with other livestock organizations, the VFO also continues to address animal welfare concerns and provide on-farm support during OSPCA farm visits in response to complaints. The VFO has a Memorandum of Agreement (MoA) in place to further enhance this relationship.

The VFO participated in a 'red meat' panel, along with the beef and pork sectors, at the OIMP biennial Meating Place convention. The discussion centered around what the organizations

are doing to promote our industries, and opportunities for collaboration throughout the value chain.

To help our farmers as they focus on their farm's core priorities, the VFO began working with OMAFRA on a project to update and develop an interactive Cost of Production (COP) tool that will be available online once completed. 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 the 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 rising production costs, that are global in nature and beyond farmers' control. The VFO continues to invest resources in both OASC and our government relations and communications strategy to ensure the RMP remains intact and

Eric Schwindt, Chair, Ontario Pork, the Honourable Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs, Joe Hill, President, Beef Farmers of Ontario, Randy Pettapiece, Parliamentary Assistant, Judy Dirksen, Director, Veal Farmers of Ontario



viable for veal farmers. Members of OASC met with Members of Provincial Parliament (MPPs) and their staff to discuss the importance of the RMP 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 new support promised in the spring as soon as possible.

The VFO also continued to advocate for the veal industry and reducing red tape for farmers through submission of comments on proposed amendments to Ontario Regulation 567 (rabies immunization) under the *Health Protection and Promotion Act*. While the VFO supports mitigating the risk to

public health, the increased costs of rabies vaccination do not provide additional benefit when there is no risk of exposure of veal cattle to the public and will instead significantly impact the profitability of producers. The VFO is confident that the proposed amendments will clarify Regulation 567 while protecting public health and the bottom lines of our veal farmers.

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 Veal Working Group was established this past spring under the umbrella of the Beef Value Chain Roundtable, to address the issues impacting the Canadian veal industry, and how best to prioritize and address the issues together.

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 that the CVA will work with Health Canada on 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.

The CVA also participated in the inaugural meeting for 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 will come 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 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, increasing by 156.1 per cent in 2018. 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.

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 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

National Farm Animal Care Council

Ontario Agricultural Commodity Council

Ontario Agricultural Sustainability Coalition

Ontario Animal Health Network

Ontario Federation of Agriculture

Ontario Goat

Ontario Independent Meat Packers

Ontario Livestock & Poultry Council

Ontario Ministry of Agriculture, Food & Rural Affairs

Ontario Pork

President's Council



Marketing & Promotions

Consumer and promotional programs are an ongoing core priority for the VFO. Implementing a long-term strategy of targeted programs, and an expansion of the popular “Ontario’s Best Veal Sandwich” (OBVS) competition, continue to be a focus of the Ontario Veal Appeal marketing campaign, along with increasing our farmer presence at consumer events.

Vealing Delicious, the VFO’s monthly e-newsletter featuring new recipes is sent to 2,879 consumers. The accompanying @OntVealAppeal twitter account and Facebook page continue to be excellent avenues of connect-

ing with consumers to increase veal consumption, and are growing in followers, up 55 and 198 respectively, over 2017.



Online presence



Website
ontariovealappeal.ca

Twitter
@OntVealAppeal
980 followers
1762 likes

e-newsletter
Vealing Delicious
2,879 subscribers

Instagram
Ontariovealappeal
892 followers

Facebook
@OntarioVealAppeal
824 followers
834 likes

YouTube
OntarioVeal
“The Crowning of Ontario’s Best Veal Sandwich 2018”
57 views

Ontarioveal
20 boards
204 followers





Petals & Plates dinner



John Catucci and the Ontario Veal Appeal team

The VFO sponsored the first course of the sold-out Petals & Plates dinner and tour at Van Geest Bros. Floral Greenhouse in St. Catharines this past spring. Executive Chef Jan-Willem Stulp, from the Grand Oak Culinary market, created a the gourmet multi-course artisan meal that combined floral-inspired recipes with locally sourced ingredients, including first course featuring organic baby greens, floral petals, cold-smoked Ontario veal carpaccio, and lemon-lime aioli with sour dough crisps. When sponsoring events such as Petals & Plates, the VFO's goal is to influence protein-purchasing decisions by associating and aligning with partners that reflect and promote local, authentic, premium eating experiences.

The VFO participated in the 2018 Restaurant Canada Show as part of an initiative to build relationships with, and create veal ambassadors of, influencers in the foodservice industry. Over

the three-day event, the VFO sampled mini Ontario Veal Parmigiana and engaged one-on-one with culinary arts program coordinators and students, foodservice distributors and dozens of restaurant owners and operators. While promoting the 2018 "Search for OBVS" was top of mind, the VFO also educated show visitors on cut options,



OBVS 2018 winner Nostra Cucina

where to source Ontario veal, veal production and more.

The 2018 search for OBVS by the VFO was a huge success! Building on the momentum from the first search in 2016, this year's competition had 129 Ontario restaurants nominated and secured media coverage and social media impressions reaching a combined audience of more than 4.4 million consumers. The evaluation of the 14 semi-finalists saw the judging panel, including John Catucci, host of the Food Network TV show 'You Gotta Eat Here', visit each restaurant to taste test their acclaimed veal sandwiches. The search concluded in June with a head-to-head judging of four finalists at the Market Kitchen in Toronto's historic St. Lawrence Market. In the end, the months of searching paid off as the VFO bestowed the title of OBVS 2018 to Kitchener's Nostra Cucina restaurant. This competition has helped drive conversations in traditional and social



Chef Czapalay visits veal farms

The VFO further built on the success of the OBVS search through the introduction of a culinary arts education program aimed at teaching the next generation of culinary professionals about the ease and benefits of procuring and serving Ontario-raised veal. As part of the program, culinary chef instructor Stefan Czapalay of Signature Culinary Solutions Inc. was hired to provide the training and share his enthusiasm about Ontario-raised veal and the importance of creating meals with farm-fresh ingredients. This fall, he visited two grain-fed veal farms

in southwestern Ontario to learn more about the farm to forks connection. Along with Czapalay, the the VFO included an Ontario veal farmer, as well as input from processors and distributors, in these presentations. The culmination of this program will take place at the 2019 Restaurant Canada Show in Toronto, where three student finalists will compete to impress a selection of industry, media and chef judges for the honour and recognition of their veal sandwich superiority in Ontario.

media that support and create awareness for locally-grown veal, educated the nominees about the availability and value of local product and opened the doors for processors and distributors to reach out to their customers to promote Ontario veal. Almost all the restaurants nominated are like our farmers; family-run and proud of the quality product they produce. The contest was a great honour to bring attention to these wonderful businesses, their owners and their delicious Ontario veal sandwiches.

The VFO was a leader-level sponsor at FFCO's spring Breakfast of the Farm

event. Breakfast on the Farm provides a unique opportunity for farmers and non-farming Ontarians to have a conversation about food and farming. With 1,150 attendees enjoying breakfast and touring the Ancaster-area dairy farm, it was a great opportunity to meet with visitors, hand out recipe cards, and discuss Ontario's veal industry.

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 the VFO, along with other commodities and the local farm community.



Farmers, including a VFO director, brought the farm to the streets of Toronto in early October, partnering on a new initiative in Union Station to celebrate the twentieth annual Ontario

Ontario Minister of Agriculture, Food and Rural Affairs Ernie Hardeman (left) and OMAFRA Parliamentary Assistant Randy Pettapiece (right) share a laugh with Veal Farmers of Ontario director Joyce Feenstra and Ontario Processing Vegetable Growers' General Manager Cathy Lennon while handing out breakfast sandwiches to commuters in Union Station.



Agriculture Week. Volunteers passed out breakfast sandwiches and talked to consumers about food and farming, while thanking them for buying local. In total, almost a dozen Ontario commodity groups and agribusinesses worked together on the FFCO-led initiative, believed to be a first of its kind in Union Station. Daily, the Toronto transportation hub hosts almost 300,000 visitors.

As part of the Fields to Forks campaign, London radio station Newstalk 1290 CJBK conducted a feature interview with Cookbook Author and Home Economist Emily Richards that

focused on the appeal of Ontario veal. During the half-hour segment in early December, Emily discussed the value and versatility of grain-fed veal, highlighting various cooking techniques, flavour pairings and offering some special holiday recipes.



Member Relations



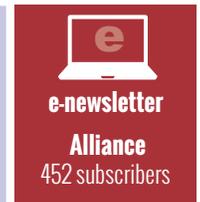
The VFO is committed to promoting and enhancing Ontario's veal industry through innovation, marketing, advocacy and education. This includes

developing and implementing communication strategies for producers, processors, government and the general public through a quarterly magazine, weekly and bi-monthly e-newsletters, social media and web services, along with attendance at industry events.

The 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 veal or dairy calves. This site was completely reviewed, updated and organized in 2018, making it easier than ever to find the information you need. The VFO's Calf Care Corner e-newsletter is released bi-monthly to producer members and industry partners. Calf

Care Corner also has a Facebook page (and twitter account) dedicated to sharing calf raising tips to ensure all calves get off to a healthy start. There was an explosion of interest in a post to this page when staff shared a series of photos from PennState that illustrate the process of rumen development in dairy calves fed different diets, including calves fed milk, milk and starter, and milk, starter and forage, generating 4,154 new followers over last year; twitter followers are also up by 129. A monthly column in DFO's Milk Producer publication provides an additional avenue to share information pertaining to neonatal calf health with producers.

Online presence



Alliance magazine, VFO's joint publication with Ontario Goat, provided producers with educational articles on veal production by staff and guest writers, along with industry news quarterly. The VFO also distributed information electronically via the weekly *Alliance* e-update.



The @OntarioVeal twitter account, designed for producers, continues to be a well-used communication tool for farmers; followers increased by 105 in 2018. The Veal Market Report app for iPhone and Android, along with the weekly e-distribution of the market report, continues to provide producers with timely market information so they can make informed business decisions.

The VFO worked with CTV London as part of their Fields to Forks campaign, which is designed to provide consumers with insight on how our food gets from Fields to Forks, while focusing on the men and women who make this happen. The 60 second vignette was filmed onsite at a veal farm in August, and aired in October, alongside a series of radio spots. It was a great opportunity to feature a local veal farmer talk about family farming, caring for animals, and the pride we have in doing what we do.

The VFO Member Open House, held September 5, 2018 at Mapleview Agri Ltd. in Palmerston, Ontario, was a huge success. Calf raisers from across Ontario gathered at the state-of-the-art research barn to discuss the veal industry, network, and share tips that producers could take home and use on their farms. Over 100 people toured the barn and had opportunities to ask questions of Mapleview Agri Ltd. staff and VFO directors.



The VFO attended the South Western Ontario Dairy Symposium and the Canadian Dairy XPO in the early part of 2018, connecting with new and existing members, discussing industry issues, promoting calf care and distributing resources. We encouraged producers to stop by the booth, tweeting throughout the day and promoting our location on both the Calf Care Corner and VFO Facebook pages.



The 25th anniversary of Canada's Outdoor Farm Show



The 25th anniversary of Canada's Outdoor Farm Show in September was a great success! Our redesigned booth space was well-received, providing a great opportunity for staff and directors to meet with veal and dairy producers. Popular topics included navel dipping, marketing, the post-weaning slump, implants and expired antibiotics/sharps disposal. Attendance at events alongside our industry partners will continue to show our commitment to the sector and raise our profile. The momentum gained at this event will serve us well as we look to our next opportunities to meet with producers at upcoming industry events.



Laura Schuurman



Aaron Keunen



Jayne Dietrich

HCC Producer Panel



With nearly 550 attendees, the 2018 Building the Foundation: Dairy and Veal Healthy Calf Conference (HCC) brought innovative ideas to producers across Ontario in November. Expert speakers offered advice on all aspects of calf management, including health, housing, welfare, feeding, and behavior. The excellent networking among attendees, experts, and exhibitors is a hallmark of the HCC, and this year was no different. Each attendee left with practical tips they could implement during that evening's chores. The VFO takes pride in this important industry initiative that helps

progressive calf managers find even more efficient ways to raise calves and increase profitability in Canada's dairy and veal industries.

Along with producer education, VFO was fortunate to be involved with providing information to students asking to learn more about veal. The VFO also delivered a lecture to dairy production students at the University of Guelph's Ridgetown Campus, sharing the work the VFO does to support calf care and creating partnerships with the next generation of calf-raisers. 8,242 educational resources were also distributed to schools and fairs.



2018
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, 2018 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, 2018 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 19, 2019

Chartered Professional Accountants
Licensed Public Accountants
Page 3

VEAL FARMERS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash (note 6)	\$ 213,264	\$ 190,797
Short term investments (note 4)	1,058,531	1,043,150
Accounts receivable	<u>168,805</u>	<u>134,402</u>
	1,440,600	1,368,349
CAPITAL ASSETS (note 5)	<u>19,455</u>	<u>31,152</u>
	<u>\$ 1,460,055</u>	<u>\$ 1,399,501</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 30,171	\$ 32,118
Government remittances payable	<u>16,501</u>	<u>10,568</u>
	<u>46,672</u>	<u>42,686</u>
NET ASSETS		
INTERNALLY RESTRICTED FUND	500,000	500,000
UNRESTRICTED FUND	<u>913,383</u>	<u>856,815</u>
NET ASSETS	<u>1,413,383</u>	<u>1,356,815</u>
	<u>\$ 1,460,055</u>	<u>\$ 1,399,501</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Internally Restricted Fund	Unrestricted Fund	Total 2018	Total 2017
NET ASSETS, beginning of year	\$ 500,000	\$ 856,815	\$ 1,356,815	\$ 1,258,286
Net surplus of revenues over expenditures for the year	<u>0</u>	<u>56,568</u>	<u>56,568</u>	<u>98,529</u>
NET ASSETS, end of year	<u>\$ 500,000</u>	<u>\$ 913,383</u>	<u>\$ 1,413,383</u>	<u>\$ 1,356,815</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
REVENUES		
License fees	\$ 555,837	\$ 563,919
Toronto Stock Yard distribution (note 8)	222,232	218,027
Cost sharing recovery	197,216	183,800
Memberships, conferences and workshops	69,285	80
Advertising	25,380	26,510
Project income	20,000	88,576
Interest	15,381	15,242
Miscellaneous	12,500	0
Annual general meeting	3,410	3,458
	<u>1,121,241</u>	<u>1,099,612</u>
EXPENDITURES		
Wages and benefits	440,319	545,625
Consumer education and communication	194,024	104,862
Program expenses	188,532	154,661
Director expenses	67,350	53,129
Rent	54,172	54,172
Office	35,316	16,279
Producer communications	28,585	21,295
Telephone	12,726	8,401
Amortization	11,397	11,536
Professional fees	10,029	9,150
Utilities	6,871	7,232
Memberships	6,375	6,079
Repairs and maintenance	4,866	4,611
Insurance	2,275	2,238
Interest and bank charges	1,836	1,813
	<u>1,064,673</u>	<u>1,001,083</u>
NET SURPLUS OF REVENUES OVER EXPENDITURES for the year	\$ <u>56,568</u>	\$ <u>98,529</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Surplus of revenues over expenditures for the year	\$ 56,568	\$ 98,529
Items not requiring an outlay of cash		
Amortization	11,397	11,536
Unrealized gain/loss on investments	<u>(7,492)</u>	<u>(15,228)</u>
	60,473	94,837
Changes in non-cash working capital		
Accounts receivable	(34,403)	(9,028)
Prepaid expenses	0	750
Accounts payable and accrued liabilities	(1,947)	2,506
Government remittances payable	5,933	(9,564)
Deferred income	<u>0</u>	<u>(10,425)</u>
	<u>30,056</u>	<u>69,076</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Proceeds on disposal of capital assets	300	0
Additions to short term investments	<u>(7,889)</u>	<u>0</u>
	<u>(7,589)</u>	<u>0</u>
NET INCREASE IN CASH	22,467	69,076
NET CASH, BEGINNING OF YEAR	<u>190,797</u>	<u>121,721</u>
NET CASH, END OF YEAR	<u>\$ 213,264</u>	<u>\$ 190,797</u>

VEAL FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 its financial instruments.

The extent of the organization's exposure to these risks did not change in 2018 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:

	2018	2017
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	\$ 78,555	\$ 0
BMO Cashable GICs, interest at 0.650% compounded annually, increasing to 0.75% in year two and 0.75% in year three, maturing February 23, 2021	25,891	0
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	533,667	524,644
BMO GICs, interest at prime less 2.70% compounded annually, maturing December 20, 2019	420,418	0
BMO GICs, interest at prime less 2.40% compounded annually, matured December 21, 2018	0	415,378
BMO Cashable GICs, interest at 0.90% compounded annually, increasing to 1.00% in year two and 1.05% in year three, matured February 20, 2018	<u>0</u>	<u>103,128</u>
	<u>\$ 1,058,531</u>	<u>\$ 1,043,150</u>

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2018	Net 2017
Furniture and fixtures	\$ 3,479	\$ 2,007	\$ 1,472	\$ 2,177
Leaseholds	<u>54,958</u>	<u>36,975</u>	<u>17,983</u>	<u>28,975</u>
	<u>\$ 58,437</u>	<u>\$ 38,982</u>	<u>\$ 19,455</u>	<u>\$ 31,152</u>

6. BANK INDEBTEDNESS

The organization has utilized \$0 (2017 - \$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. COMMITMENTS

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

2019	\$ 36,177
2020	<u>442</u>
	<u>\$ 36,619</u>

8. 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.

THANK YOU TO OUR ANNUAL SPONSORS



THANK YOU TO OUR 2019 AGM SPONSORS



VEAL FARMERS OF ONTARIO

449 Laird Road, Unit 12, Guelph, Ontario N1G 4W1

t: 519-824-2942 | f: 519-824-2534

www.ontarioveal.on.ca | www.ontariovealappeal.ca

www.calfcare.ca