



ANNUAL REPORT
2021

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





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Also available online at vealfarmers.ca

Message from the Chair



Pascal Bouilly

As I write this Annual Report message, the 2022 Winter Olympics are currently underway, and it is always exciting to support our Canadian athletes competing as they demonstrate excellence in their sport. The motto for the Olympics is faster, higher, stronger. And just this past year, the International Olympic Committee added 'together' to the motto to recognize the importance of the notion that we can only move forward when we move forward together.

This past year, we have seen this same motto come to fruition in the Ontario agri-food sector. Through challenges and opportunities, the male dairy calf and veal sector and in particular the livestock industry, has come together to collaborate, share, and support each other knowing that we all will move forward when we move forward together.

Whether that is working together on issues like business risk management, government relations, advocating for access to more large animal veterinarians, challenges from animal activists, labour issues being faced

by our processors, consumer promotions, animal health or research priorities, when we all work together, we all can benefit from the efficiencies and strength of a unified voice. In many cases, working together with our colleagues has benefitted Veal Farmers of Ontario (VFO) and our members because we are able to extend our reach further and do more for members than we could possibly do solely on our own.

I am very pleased to have been part of the collaborations between the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and VFO that looked at the Veal Risk Management Program (RMP) cost of production (COP) model in order to make changes that will now see the RMP program more responsive to the realities of veal production in Ontario.

One of the most important tools you can utilize as a veal farmer is the Veal RMP program. In fact, the RMP program is one of the only business risk management tools available to veal farmers and as such it is a priority objective for VFO to maintain and sustain the program. This past year,

VFO worked diligently with OMAFRA staff to bring forward meaningful changes to the program that will deliver a stronger and more responsive program for veal farmers.

Some of the Veal RMP program changes included modifications to the average yardage calculations within the COP model to ensure both the extremely high and low costs that are not representative of most veal farms will no longer be included. As well, VFO worked with OMAFRA to include an additional per head adjustment to account for variability in the COP data. An additional 10 days on feed was also added to the COP calculation to account for the changes in the veal carcass weight limit. Lastly, starting with the 2021 program year, we will now see a veal sector-specific premium fund that will allow for the carry over of any unused veal program dollars and will be available for future veal RMP payments if needed. VFO worked very hard with our OMAFRA colleagues to ensure the Veal RMP program would be more responsive to the increasing on-farm costs, changing market conditions



and more accurately reflect the true costs of veal production in Ontario.

At the same time, VFO continues to work together with our Ontario Agriculture Sustainability Coalition (OASC) partners to address the changes that are needed to the AgriStability program to ensure it is responsive to the needs of farmers. Together with our OASC partners we continue to discuss and advocate for business risk management tools for all our members to ensure viability and sustainability of our farms.

VFO also saw the implementation of amendments to our veal regulations that expanded the definition of veal to include pre-conditioned calves as well as veal cattle sold at sales barns. These amendments came into effect on January 1, 2021, and VFO worked together with our industry partners including Beef Farmers of Ontario, all our sales barns and cattle dealers, and the Ontario Farm Products Marketing Commission to communicate and implement these changes and adapt the licence fee collection system to ensure accurate reporting to VFO for all veal cattle sold.

The Board has adapted to Zoom meetings and online technology for all our board meetings this past year. We have been efficient and effective with our Director's time which has provided a new opportunity for our Directors to balance the needs of the farm and family with their VFO commitments. I would like to take this opportunity to extend my thanks to my fellow VFO Board of Directors for their support, teamwork, and contributions to the many issues impacting the veal sector and larger livestock industry that we have moved forward on together. This past year, the board welcomed two new Directors, Dylan Yantzi and Kurtis Moesker, who have adapted quickly to their roles even though we could not meet each other in person.

On behalf of all our members and the VFO Board of Directors, I would like to thank our dedicated staff who continue to reach higher and faster on behalf of us all. With the support and strength of our staff and their combined experience, passion, and dedication, VFO has been able to move forward during another year of uncertainty and while navigating

the impacts of a global pandemic together.

2021 has certainly been a very productive year for VFO but there are always many challenges on the horizon that require our attention. By working together, we harness the collective power of many to achieve our objectives and goals and move forward with momentum.

I look forward to seeing everyone together again in person as we all have a lot of networking and catching up to do. Until that time, thank you for your continued support and all the best for a successful year ahead.

Message from the Executive Director



Jennifer Haley

I am not sure how we have arrived at our 2022 Annual General Meeting so fast! 2021 was a very busy year and it seemed to go at very fast pace—or maybe it is just that I am getting older and time flies by more quickly. While we all had to work through various waves of the pandemic this past year, in many ways it was business as usual for all of us in the agri-food sector as we continued to produce high quality, safe and nutritious food. Perhaps more so than ever, consumers appreciate the importance of locally grown and processed food and ensuring our supply chains continue to deliver food to their tables.

As we continue forward with this important relationship with the consumer, Veal Farmers of Ontario (VFO) focused on several projects this past year aimed at building public trust with the consumer, bridging a better understanding of the male dairy calf and veal cattle sector, and supporting our supply chain partners. Our newly re-vamped and updated resource “All About Veal” was released this year in both print and

digital formats and answers so many of the questions we get from consumers in a way that is easy to understand and puts our veal cattle production practices into perspective with the rest of animal agriculture. We have included the resource on both our consumer and producer websites and the resource can also be easily downloaded. We have an important story to tell, and we are an important part of the circular economy in the livestock sector. But we all share in the responsibility of telling our story and building trust—I challenge each of you to share a copy of the “All About Veal” resource with your friends, family or neighbours—every little bit helps towards breaking down the barriers and addressing the myths. Are you willing to advocate for your sector?

At the same time, VFO also partnered with Farm & Food Care Ontario (FFCO) to produce a 360° virtual farm tour of a grain-fed veal farm. The series of videos provides an opportunity for the consumer to go behind the barn door and see what really happens on a veal cattle farm

and the work that farm families put into producing high quality livestock. As part of this partnership with FFCO, a teacher resource was also created to help with the ‘ag in the classroom’ initiatives.

While COVID-19 restrictions made it challenging to host the return of the popular search for *Ontario’s Best Veal Sandwich* contest, VFO developed an engaging campaign to promote our previous contest participants and their family businesses. With our salute to local foodservice heroes, VFO launched and promoted a social media and video campaign highlighting feedback from restaurant owners about the importance of locally produced Ontario veal, how their business has changed as a result of the pandemic, and how they have been able to satisfy customers’ cravings for a veal sammie!

Organizationally, VFO was also able to finalize and implement amendments to our regulations with the expanded definition of veal cattle. New regulations that came into effect on January 1, 2021, provided VFO with the opportunity to collect licence



fees from finished veal cattle sold in sales barns and dealers as well as preconditioned calves. Together, working with our industry partners, VFO supported the required changes to computer databases and reporting procedures that made for a very streamlined implementation.

But this is just the tip of iceberg! As you read through this Annual Report, I hope you will see the breadth and depth of all that VFO has worked on and accomplished this past year as we continued on our high-performing path with the goal of driving value for the Ontario male dairy calf and veal cattle sector. VFO worked on a number of issues and topics covering everything from the farm to the consumer's plate—important changes to the Veal Risk Management Program and lobbying for business risk management programs, research priorities, animal welfare, animal health, industry communications, processing capacity, market reporting, producer education, consumer marketing, government relations, advocacy, and more! Each of these issues and

priorities, and the work required to address them, directly impacts the viability, sustainability and profitability of the male dairy calf and veal cattle sector.

Building on the past year, together the agri-food sector has come together to collaborate, share, and innovate like never before. Regardless of the issue, project, challenge, or opportunity, we have shared information and resources, worked together towards common goals, supported each other when needed, and share in the belief that all boats will truly float with rising tides. We must all work hard to retain this level of collaboration moving forward as it truly benefits all farmers and the agri-food sector.

As we reflect on the past year and look forward to the year ahead, I would like to take this opportunity to acknowledge VFO's long serving and passionate staff team. The expertise, knowledge, dedication, and commitment to the veal cattle sector that our staff continues to demonstrate is one of our organization's greatest assets.

Thank you to each of the VFO Board of Directors for their dedication, contributions, and commitment this past year. Together, board and staff are focused on achieving VFO's strategic mission and vision with our various skills, experience, and insights that ensures fulsome discussions and a diversity of contributions at the virtual board table.

To our valued members, thank you for your continued support of VFO, our staff and our board members. As we move into the year ahead, we re-commit to continuing our work to advocate for the male dairy calf and veal cattle sector. We are stronger together—focused on common goals.



Board of Directors 2021



Pascal Bouilly,
Chair



Cameron Knip,
Vice Chair



Sid Atkinson



Judy Dirksen



Brian Keunen



Phil Kroesbergen



Kurtis Moesker



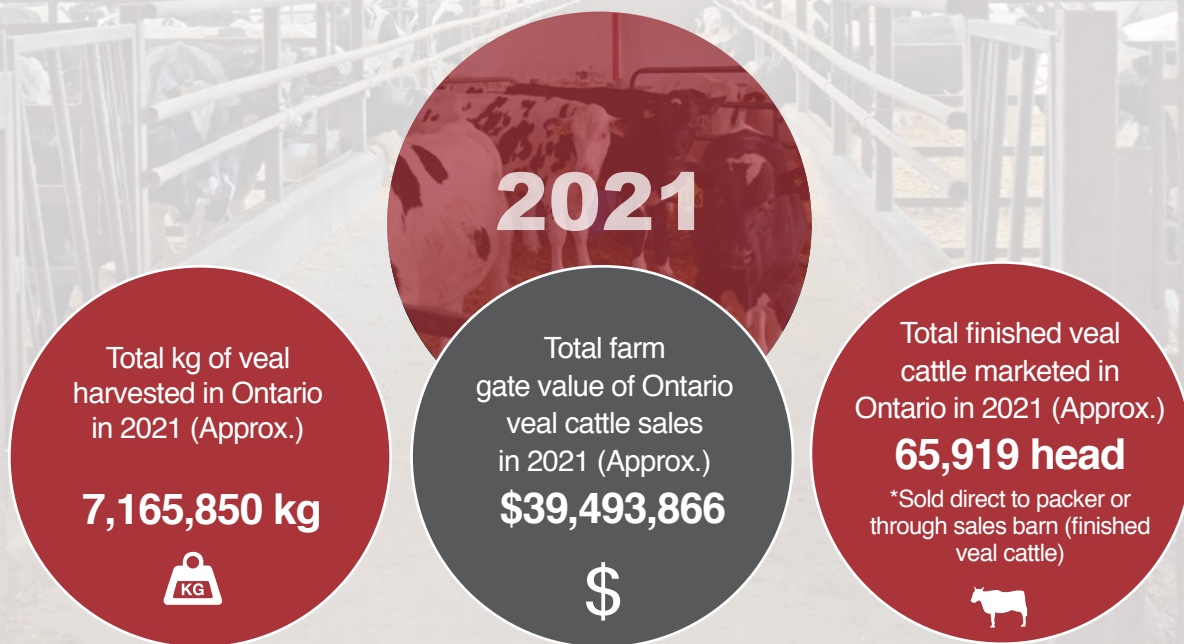
Dylan Yantzi

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 producers to create a proactive and engaged male dairy calf and veal industry in Ontario. 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 VFO is handled by a board of directors comprised of eight veal and/or male dairy calf producers from across Ontario. Directors are elected by voting members at the Annual General Meeting. All directors are elected to a rotating three-year term. Directors work on behalf of the Ontario male dairy calf and veal cattle sector on projects, issues, and initiatives that benefit the membership of the organization. From time to time, VFO may welcome a non-voting observer to participate in board meetings.



VFO staff

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



2021 **Highlights**

Production & Standards

Animal care is a top priority for VFO, and 2021 saw the launch and completion of several projects to ensure all veal cattle consistently receive the highest quality of care.

Building on the success of last year's Calf Health Improvement Program (CHIP), early spring's CHIP 2.0 project saw the development of resources for busy producers that were released throughout 2021 to share the latest research and continuously improve the health and welfare of all calves in Ontario. Along with a series of articles in the "Calf Care Corner" e-newsletter and *Milk Producer* publication, *The Healthy Calf Podcast Series* was designed to help dairy and veal producers make informed decisions about youngstock health and welfare, with a focus on taking a more proactive approach to reduce disease and improve performance. Complementing these strategies, the Ask the Expert Virtual Speaker Series, a series of six webinars designed

to connect veal and male dairy calf producers with leading experts sharing the latest research and practical advice for managing calves and veal cattle, was held in March. Additional tools such as posters, laminated fact sheets, and downloadable graphics were also included in the project.

The CHIP 2.0 project also addressed *Salmonella* Dublin (S. Dublin), an emerging threat in all cattle sectors across Canada. VFO conducted a small prevalence study on Ontario veal farms to get a sense of how widespread the disease is in our sector. In addition to the prevalence study, VFO created a new S. Dublin page on the calfcare.ca website and developed several resources specific to prevention and management of this disease.

VEAL Farms of Ontario
Your calf care partners

IS THIS CALF FIT TO SHIP?

Before shipping dairy calves off the farm follow this simple checklist.

Description	YES	NO
IS THE CALF HEALTHY? • Bright, alert and well-groomed • Not up, something odd • Normal calf temperature (38.5°C)		
WAS THE CALF FED COLUSTRUM AT BIRTH? • Healed four times within six hours of birth • First feeding available as soon as possible		YES: Not recommended for sale
IS THE CALF OVER 90 DAYS? • Weaning and weaning on all four legs		YES: Not recommended for sale
DOES THE CALF HAVE A DRY, HEALED NAVEL? • YES: No navel infection or other issues		YES: Not recommended for sale
DOES THE CALF HAVE SCOURS? • YES: No navel infection or other issues		YES: Not recommended for sale
IS THE CALF NINE DAYS OR OLDER? • YES: No navel infection or other issues		YES: Not recommended for sale
WAS THE CALF FED IN THE LAST HOUR? • Calves can only be moved for 12 hours from the time of last feeding • The feed distribution is not uneven • Good record of time of last feeding		YES: Not recommended for sale
DOES THE CALF HAVE AN EAR TAG? • YES: Every calf must have an ear tag for identification • YES: No navel infection or other issues		YES: Not recommended for sale

If no was answered on any question, retain on dairy farm until the calf is ready.

FOR MORE INFORMATION VISIT WWW.CALFCARE.CA

VEAL Farms of Ontario
Your calf care partners

NAVEL HEALTH

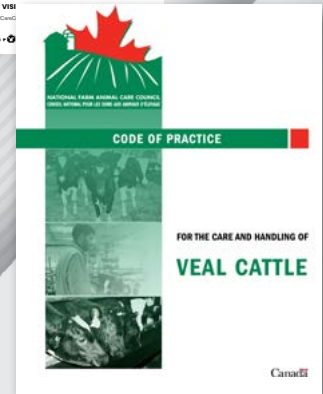
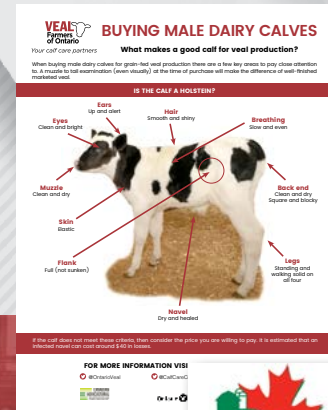
Prevention is key!

Recent studies in Canada show that between 13 to 27% of calves can have an enlarged or abnormal umbilicus (navel). Before shipping make sure you follow the form. Double check to ensure the navel is well-healed and dry. This is best done by palpating (feeling) the navel.

It is estimated that an infected navel can cost around \$60 in losses.

Unhealed	Healing	Infected	Hernia	Completely Healed
<ul style="list-style-type: none"> • Swollen navel area is shiny, dry and free of moisture • Dry with the navel or 2% antiseptic • Follow navel care protocol 	<ul style="list-style-type: none"> • Monitor daily to ensure navel healing progress about 8 days • Isolate calf and housing and provide additional care as needed • Affected calf should be sold within the first 2 weeks 	<p>If the navel:</p> <ul style="list-style-type: none"> • Is greater than 1.5 cm • Has a lump • Is red, swollen • Has discharge • Follow navel care protocol • Is not dry • Observe navel withdrawal <p>IF THE CALF HAS A NAVEL INFECTION:</p> <ul style="list-style-type: none"> • Call a vet • Isolate calf and housing and provide additional care as needed 	<ul style="list-style-type: none"> • The umbilical ring fails to close after birth • Discharge contents protrude through the opening (the area around the navel will feel soft) • A palpable ring is greater than 6 cm around circumference 	<ul style="list-style-type: none"> • Off to a great start • Isolate calf and housing and continue to provide adequate bedding

FOR MORE INFORMATION VISIT WWW.CALFCARE.CA



The *Refining diagnostic tools on arrival to a veal facility* study, led by Dr. Dave Renaud from the University of Guelph, was completed in January 2021. Results showed that additional technologies can be used to identify high-risk calves at arrival to a veal facility and source dairy farm management continues to be imperative to the success of male dairy calves.

The *Evaluating the health and growth impact of transport on male dairy calves* study, also led by Dr. Renaud, continued in 2021 with the objective to evaluate the impact of commingling and short and long-distance transport on behavioural, metabolic, and clinical indicators of health as well as growth in male dairy calves. An additional objective is to evaluate how intestinal microbiota change over time and use these changes to predict morbidity and mortality. This project will be complete in 2023.

In addition to research completed at the University of Guelph, VFO and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) undertook a joint project to better understand fibre and roughage inclusion rates in Ontario veal finishing rations as well as feeding practices during the finishing phase. Data collection is now complete, including on-site visits to 10 farms in southwestern Ontario that will inform fibre inclusion benchmarking for the sector. The results of the study are now being finalized and will be shared in 2022.

Through the Canadian Veal Association (CVA), 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 ensuring all calves are treated the same on dairy farms.

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



Advocacy & Industry Relations

VFO continues to adapt and pivot as policy concerns and priorities change, while striving toward our vision of a proactive and engaged male dairy calf and veal industry. 2021 saw VFO continue to work closely with several key industry groups, including the CVA, through committee work, representing the Ontario veal sector at many virtual meetings and online events, and participating in provincial and national initiatives that impact the veal sector.

VFO represents the Ontario veal sector on several key industry councils, including the Farm & Food Care Ontario (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. As well, the veal sector is represented on various industry committees and councils that foster

collaboration amongst the industry such as the Ontario Livestock & Poultry Council, the Transportation Working Group, the Livestock Research Innovation Council, and Meat & Poultry Ontario.

VFO promotes the continuous improvement of animal welfare on our farms. VFO has worked closely with the Provincial Animal Welfare Services (PAWS) as part of the Ministry of the Solicitor General since January 2020 when the PAWS Act came into effect, to assist our members with on-farm animal care issues.

Beginning December 5, 2020, the *Security from Trespass and Protecting Food Safety Act* (the Act) protects Ontario's food supply chain, from farm to table, without infringing on the right to peacefully protest and, in conjunction with the PAWS Act ensures animals are protected and cared for properly. VFO has been a strong supporter of this legislation

since it was first introduced, and we continue to stand behind it now that it is being appealed as a constitutional challenge by special interest groups. As part of the appeal and challenge process, VFO, along with other industry stakeholders, worked with the Ministry of the Attorney General. Together with VFO staff, Pascal Bouilly, VFO Chair, stood up as part of the team defending the legislation by preparing and submitting an affidavit that defends the Act and its importance to Ontario veal farmers.

Maintaining and supporting business risk management programs for producers is one of VFO's strategic directions. VFO has worked with OMAFRA staff to bring forward meaningful changes to the Risk Management Program (RMP) that will deliver a stronger and more responsive program for veal farmers. These changes will ensure the Veal RMP program remains responsive



to increasing on-farm costs, changing market conditions, and more accurately reflects the true costs of veal production in Ontario. Efforts focused on an in-depth review of the cost of production calculations and specifically the segments of yardage. With the economic uncertainty of the markets looking forward, rising costs of production, and navigating the supply chain disruptions caused by COVID-19, veal farmers depend on the Veal RMP program as part of their business risk management strategy.

VFO was pleased to work with our counterparts in the Ontario Agriculture Sustainability Coalition (OASC) to lobby for changes to the AgriStability program that will help ensure the program will work as it was intended for our farmers and cover unforeseen risks. OASC also called on the provincial government to put the money they've already set aside for AgriStability into the RMP/Self-Directed RMP. The OASC leaders and staff attended several meetings with Members of Provincial Parliament (MPPs) to reinforce this message. We continue to work with our government to ensure funding is available when farmers need it most.

Pascal Bouilly, VFO Chair, was invited to join agriculture ministers, staff, and industry leaders from across Canada at a reception in Guelph in early November as part of federal-provincial-territorial (FPT) meetings hosted by Ontario Agriculture Minister Lisa Thompson. VFO appreciated the opportunity to share more about the grain-fed veal industry at the event showcasing Ontario's agri-food sector.

VFO and the Canadian Beef Check-Off Agency (the Agency) have an agreement to strengthen Canadian veal marketing as a part of the larger Canadian beef and veal marketing initiative. Jennifer Haley, VFO Executive Director, was appointed to the Marketing Committee of the Agency following their Annual General Meeting in August. The Marketing Committee is responsible for planning and establishing Canada Beef's strategic, business, and operational goals and objectives and for the overall management and operation of the business and affairs.

Together with our Quebec counterparts, 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 labelling and approval process, antimicrobial use and resistance, animal welfare, on-farm food safety, and the impact of European veal imports.

The CVA submitted a request to the Canadian Food Inspection Agency (CFIA) to amend the Health of Animals Regulations, and in particular the Import Reference Document, to increase the time limit from 36 weeks to 40 weeks for imported calves brought into Canada to approved quarantined facilities. Strategically, the CVA wants to ensure a supply of US dairy calves without compromising the timelines to finish veal cattle properly.

On January 1, 2022, the state of California implemented Proposition 12, the Farm Animal Confinement Initiative, which amends the requirements for animal housing in the state. It also prohibits a business from knowingly engaging within the state of California the sale of animal products that do not conform to the new standards. VFO has been working with Agriculture and Agri-Food Canada through the CVA to share our concerns about

Proposition 12 and what this will mean for Canadian veal imported into California. A formal submission was made as part of the consultation process as we continue to advocate for the needs of Ontario's veal farmers and ensure a competitive and fair marketplace.

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.

Among the strategic objectives of VFO are to advocate for veal on government policies that impact producers and increase consumption and drive demand for Ontario veal. Developing new trade markets represents an opportunity for VFO to deliver on these objectives. To underline the importance of new trade markets and to develop a clear picture for veal producers as to the impacts of trade, VFO produces the Veal Trade Tracker. Updated quarterly, the Veal Trade Tracker will give producers a straightforward picture of the state of veal trade and the impacts that changing trade conditions may have on their operation.

Gaining market access to Europe continues to be a strategic priority for the CVA and VFO. Together with the CVA, VFO has been working with the federal government to highlight the concerns we are facing as a sector. At the same time, we worked collaboratively with the CFIA to draft an export protocol for the European Union with the goal of expanding our ability to market Canadian veal globally. Throughout the recent trade and market uncertainty, VFO continues to be a strong advocate for producers, working with our industry and government partners to build a strong, innovative, and resilient veal sector.

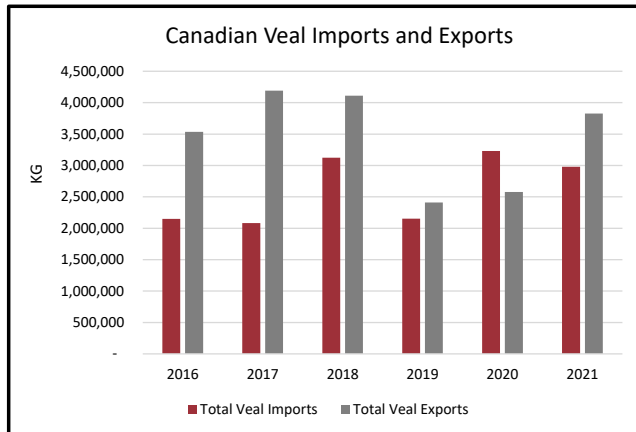
Industry relationships

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

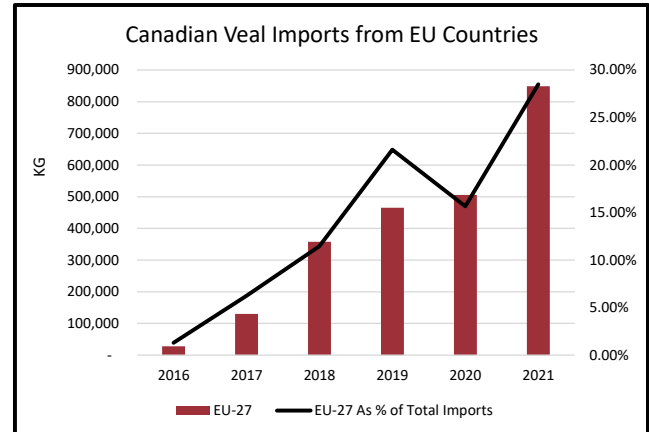
Agricultural Adaptation Council
AgScape
Beef Farmers of Ontario
Canadian Animal Health Institute
Canadian Cattlemen's Association
Canada Beef
Canadian Meat Council
Canadian Veal Association
Christian Farmers Federation of Ontario
Dairy Farmers of Ontario
Farm & Food Care Ontario
Foodland Ontario
Les producteurs de bovins du Québec

Livestock Research Innovation Council
Meat & Poultry Ontario
National Farm Animal Care Council
Ontario Agricultural Commodity Council
Ontario Agriculture Sustainability Coalition
Ontario Animal Health Network
Ontario Cattle Feeders' Association
Ontario Federation of Agriculture
Ontario Livestock Auction Markets Association
Ontario Livestock Dealers Association

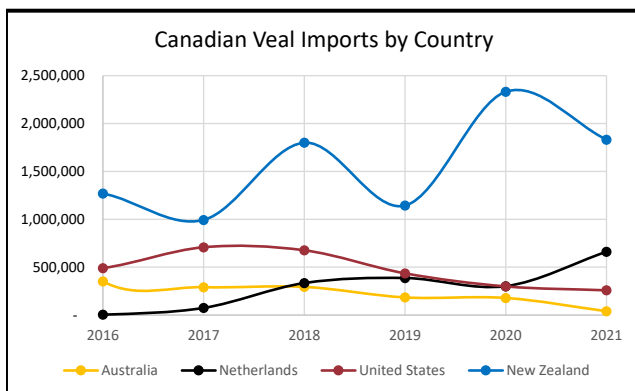
Ontario Livestock & Poultry Council
Ontario Livestock Transporters' Alliance
Ontario Ministry of Agriculture, Food & Rural Affairs
Ontario Pork
Ontario Sheep Farmers
President's Council



Canada's veal trade showed positive growth in 2021, with exports increasing as pandemic restrictions lift. Canadian veal exports amounted to 3.8 million Kgs, a year over year increase of 50% by volume and 54% by value. Conversely, veal imports decreased by 7% in volume and value compared to 2020, with import volumes amounting to approx. 3 million Kgs.



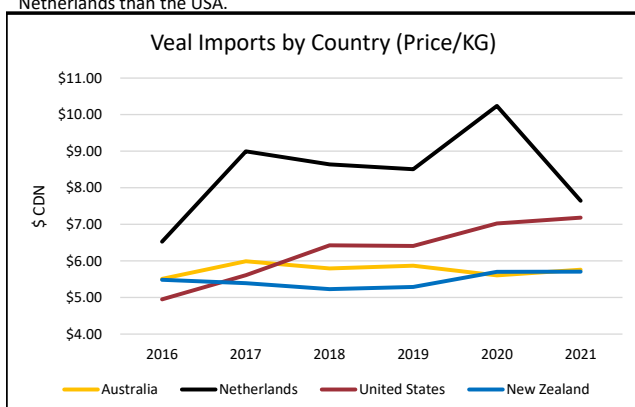
The volume of veal imports from the EU (red) is up 102%, to nearly 850,000 Kgs. This is equivalent to 29% of Canada's veal imports (black line); a concerning increase especially considering that these imports are higher value muscle cuts. The Netherlands is the largest supplier of European imports along with Italy.



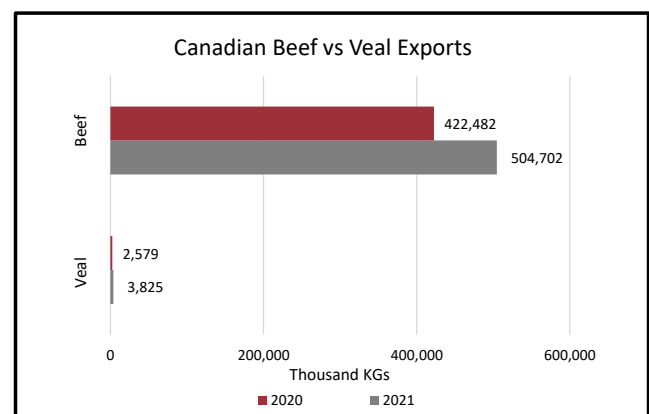
Most of Canada's veal imports continue to originate from New Zealand. Imports from the Netherlands continued their increasing trend, while imports from the USA have declined. Few Australian imports have been reported. More than double the veal is now imported from the Netherlands than the USA.



Veal exports to the USA increased by 49% compared to 2020. This is the highest amount of veal exports since 2018. The remainder of Canada's veal exports are sent to the Middle East.



The per Kg price of veal imported from the Netherlands has declined significantly in 2021 (from \$10.24 to \$7.65/Kg), though still the highest of any country. The value of American cuts remains at higher levels in 2021 (\$7.18/Kg), while the value of Australian and New Zealand imports held steady (\$5.75/Kg).



While veal represents just a small fraction of Canada's red meat trade, both veal and beef exports have increased considerably in 2021.

Data retrieved from AAFC and Statistics Canada, red meat section.

Marketing & Promotions

VFO's consumer marketing strategy has adapted during the pandemic to strive for a balance of encouraging consumers to order veal at the restaurant when possible, and being comfortable cooking with veal at home, while also highlighting its special occasion qualities, collaborating with partners where possible, and providing veal meal suggestions and cooking information—all to help satisfy the consumer's desire for a delicious meal. Together, our marketing programs complement each other to drive veal consumption and maintain demand for Ontario veal.

VFO revamped our consumer website ontariovealappeal.ca to really highlight the veal recipes and information. Consumers can use a search function by cut, recipe name or see the most popular veal recipes. The goal is to make it as easy as possible for the consumer to be inspired to cook with veal at home.

The "Vealing Delicious" e-newsletter was distributed bi-weekly to over 3000 veal consumers, providing timely veal recipes, cooking instructions, how-to videos, and veal meal solutions to inspire home chefs to cook with veal.

While the 2021 edition of the search for *Ontario's Best Veal Sandwich* (OBVS) contest was postponed due to pandemic restrictions, a unique campaign highlighting nine of our past finalists and winners launched in its place this past fall. For nine weeks, a different finalist or winner's restaurant

was featured in videos, interviews and social media content hosted by John Catucci of Food Network Canada's *You Gotta Eat Here!* television show. Many of these family-run, small businesses are just like our farmers—hardworking and dedicated to



Ontario's
Best Veal Sandwich

Ontario
VEAL
appeal





producing great products—and we wanted to highlight all the great veal sandwiches and bring media attention to our local food heroes. VFO Director Dylan Yantzi and his family took part to represent veal farmers and say thank you.

This summer, Ontario Veal Appeal partnered with Chef Ted Reader, BBQ guru, to develop nine new veal BBQ recipes that were featured on both Chef Ted's website and social media channels as well as our own, and in the "Vealing Delicious" e-newsletter. Chef Ted is a popular guest chef on television, and he featured our Planked Veal Meatballs recipe as part of Super Bowl menu planning. Another of Chef Ted's veal recipes—the Veal Meatloaf Burgers—was also featured by Rita DeMontis in her syndicated SunMedia food column as a prelude to BBQ season.

Ontario Veal Appeal hosted a Father's Day contest with the goal to increase

followers on our social media channels and e-newsletter. Subscribing or liking our social media channels were ways to enter the contest. The prizes included Chef Ted's BBQ cookbooks, spice rubs, BBQ tools and fresh Ontario veal.

Ontario Veal Appeal partnered with *Food & Drink* magazine with three full-page ads in the summer, autumn, and holiday issues. This popular magazine reaches over 2.5 million consumers per issue and readers are a great demographic match for the Ontario veal consumer. Ads were also featured in both the *Foodism* and *Canadian Food & Drink* magazines. Our goals with print ads are to inspire the consumer with a meal experience, drive traffic to our refreshed website, and profile veal in new and different ways.

The Ontario Veal Appeal social media accounts continue to be excellent avenues of connecting with consum-

ers. Through our social media platforms, we worked to promote, like, and share posts from our foodservice partners, especially our former contestants and finalists of the OBVS contest. When restaurants were closed, these businesses pivoted to offer take out and curbside pick-up, and we wanted to support them by sharing their social media posts and promoting their veal menu options.

VFO partnered with the Scarborough Centre for Healthy Communities to support a new outreach program aimed at providing cooking classes to youth through the CHEF program—Cooking and Healthy Eating for Fitness. VFO provided financial support for the cooking class to ensure each of the 29 participants were able to access all the required ingredients to make veal cutlets and green beans with Chef Emily Richards. For VFO, this was a great opportunity to participate and connect



Veal Escalopes alla Pizzaiola

Ontario's veal farmers are proud to support Farm & Food Care Ontario and the important work they do to share the stories of Ontario's farming community and bring engaging events to people across the province. Enjoy an appetizer made with Ontario grain-fed veal as part of the special three-course meal featured in the 2021 Gala-in-a-Box celebrations. We can't wait to see how you #VealishatHome!

Ingredients:

<ul style="list-style-type: none"> 1/2 lb (227 g) of veal scallopini (two pieces) Salt and pepper (to taste) Flour for dredging (around 1/2 cup (125 mL)) 1/4 cup (25 mL) extra virgin olive oil 1 cup (250 mL) halved zima, or similar small tomato (beardies, grape) 	<ul style="list-style-type: none"> 1 cup (250 mL) roasted red pepper, cut into thin strips 1 tbsp. (15 mL) chopped capers 1/2 tsp. (7.5 mL) minced garlic 1/2 tsp. (2.5 mL) oregano 20 crostini Chopped fresh basil (optional)
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Ontario VEAL appeal

VFO partnered with FFCO to share the real story about how veal farmers make animal care a top priority with a virtual reality tour of an Ontario veal farm at FarmFood360.ca. The virtual tour was filmed this past summer at an Ontario grain-fed veal farm and is accompanied by four traditional videos that dive deeper into specific topics, such as veal cattle care and nutrition, the life of a veal farm family and The Real Deal About Veal—which explores misconceptions about the veal sector. The videos include interviews with the farm family, as well as the farm's veterinarian.

This fall, VFO updated and revitalized the “All About Veal” resource with new content, photography, and answers to many of the questions we get from consumers in a way that is easy to understand and puts veal cattle production practices into perspective with the rest of animal agriculture.

VFO was the appetizer sponsor for FFCO's 2021 Virtual Gala-in-a-Box. The Gala-in-a-Box is a fundraising effort that supports the work of building public trust on behalf of the agriculture sector. VFO Chair Pascal Bouilly and VFO Executive Director Jennifer Haley joined the virtual Gala and launched our “All About Veal” resource with a challenge for attendees to share it with a friend or neighbour to help us educate consumers on veal production. Participants were encouraged to share photos of their Veal Escalopes alla Pizzaiola appetizer on social media for a chance to win one of three Ontario Veal Appeal prizes packages.

with youth who are eager to learn new cooking skills and build a foundation for including veal in their menus.

On February 23, 2021, VFO celebrated Canada's Agriculture Day by taking part in the #BurgersUpOnt challenge with our commodity group partners, encouraging our followers to fill their plates with local ingredients for their burger creations and share photos on social media. VFO shared

the French Onion Soup Burger recipe for inspiration. Canada's Agriculture Day celebrates each member of the agri-food supply chain that works hard to ensure Canadian plates remain full of local, nutritious, and affordable food.

VFO celebrated Local Food Week in June with a media tour in collaboration with several of our commodity group partners. Recipe demonstra-

tions by cookbook author, home economist and chef Emily Richards featuring Ontario veal and other locally grown favourites were showcased on social media and local television broadcasts. Bahamian chef Raquel Fox also helped us celebrate the abundance of fresh, healthy food that's grown right here at home with a segment on CHCH. VFO engaged with consumers through our social



accounts, sharing veal recipes featuring Ontario-grown products, and directing them to the Meat & Poultry Ontario website to source veal locally. Producers were encouraged to get involved on social using the hashtag #loveONTfood and sharing their favourite way to choose local.

Ontario's veal is raised on family farms that support our rural communities and the Ontario economy.

Held October 4 to 10, 2021, Ontario Agriculture Week celebrated the abundance of food Ontario farmers produce, and their contributions to our province. VFO used this opportunity to thank our supply chain partners, share resources to support our industry partners, and celebrate our pride in veal farming using the hashtags #OntAgWeek and #loveONTfood on social media.



Online presence





ONTARIO VEAL STREET TACOS

Recipe at ontariovealappeal.ca

Ontario
VEAL
appeal

With a zesty tequila lime marinade and taco seasoning, veal scaloppini is infused with Mexican flavours and transformed into authentic Street Tacos.

These little pockets of deliciousness, created by Chef Ted Reader, are meant to be a snack but it is almost impossible to stop at one or two. Using veal scaloppini in this recipe cuts the marinating time from the the usual six hours plus to as little as 30 minutes. For the full taqueria experience serve with traditional toppings like refried beans, tomato salsa, pickled red onions and smashed avocado. You can save time and purchase the toppings pre-made or visit ontariovealappeal.ca for the full recipe. [f](#) [i](#) [t](#)



Member Relations

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

The Connection magazine is the official quarterly publication of VFO, highlighting the work we do on behalf of the veal cattle and male 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. New and archived issues of *The Connection* are available digitally on vealfarmers.ca. VFO also distributes information electronically via the weekly "The Connection e-update".

The @OntarioVeal Twitter account continues to be a well-used communication tool for farmers. The Veal

Market Report app for iPhone, along with the weekly digital distribution of the market report via Twitter, our private Facebook groups, and "The Connection e-update", continue to provide producers with timely market information so they can make informed business decisions. After consultation with producers, the weekly veal market report was updated in 2021, providing more information to help make profitable business decisions in response to rising input costs.

VFO has two private Facebook groups to help foster connections between members, share timely sector updates, and provide a space for discussing production and industry issues. The *Marketing of male dairy calves in Ontario* group is designed for dairy and veal producers, and for those starting calves for the dairy-beef market. The *Finishing grain-fed veal in Ontario* group is geared toward producers finishing male dairy cattle for veal markets. Both are great forums to ask questions and start important conversations.

VFO has two websites, the vealfarmers.ca corporate site for producer information, and calfcare.ca, an online toolbox for producers and industry professionals navigating challenges with calf health, welfare, and nutrition. Along with the same great content producers and industry partners have come to expect, VFO is pleased to share that the vealfarmers.ca website was updated with a fresh new look and improved functionality in 2021. This website has relevant and timely information for Ontario grain-fed veal producers on management and markets, upcoming events, and links to additional resources.

VFO's "Calf Care Corner" e-newsletter is released monthly to producer members and industry partners. A monthly Calf Care Corner column in Dairy Farmers of Ontario's *Milk Producer* publication provides an additional avenue to share information pertaining to neonatal calf health with producers and strengthen and solidify our position as your calf care partners.



CALVES SPEND UP TO 20 HOURS A DAY LYING DOWN.

That's 80% of their time!



LYING DOWN IS A SIGN THAT CALVES ARE COMFORTABLE AND



Website
vealfarmers.ca
calfcare.ca

Twitter
@OntarioVeal
1155 followers

Twitter
@CalfCareCorner
569 followers

e-newsletter
The Connection
e-update
Calf Care Corner

Facebook
@CalfCareCorner
12,517 likes

e-newsletter
Calf Care Corner

YouTube
Calf Care Corner
OntarioVeal



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, and provide a platform for #calftiptuesday, a weekly graphic highlighting a calf-raising tip and accompanying article. To celebrate our second anniversary of #calftiptuesday and reaching over 12,000 likes on our Calf Care Corner Facebook page, we invited calf experts from across North America to share their best calf-raising tips with us. Our reach for both our corporate and educational social media channels continued to grow in 2021.

Deciding to raise calves for the grain-fed veal market requires thor-

ough and thoughtful planning. VFO developed a series of fact sheets that help answer common questions about starting and operating a grain-fed veal farm. Fact sheets were released monthly in 2021 and can be found at vealfarmers.ca.

As part of our continued outreach with the Maritime Beef Council, Kendra Keels, VFO's Industry Development Director, joined *Simply Verified Beef* Podcast co-host and VBP+ Coordinator Amy Higgins to discuss the classifications of fit/compromised/unfit and how that relates to male dairy calf transport, making tough decisions on euthanasia, and the Codes of Practice. The *Simply Verified Beef* Podcast features expert guests from coast to coast speaking

on various parts of the Canadian beef supply chain from farmers and ranchers to consumers.

VFO also sponsored the Working through the new transportation regulation: Dairy calves and cull cattle webinar to encourage producers to learn more about behaviour and handling, transport, and risk management in male dairy calves.

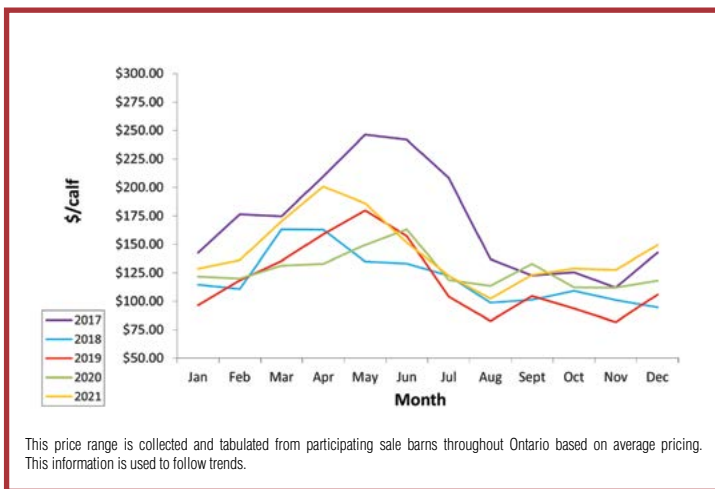
In 2021, VFO was invited to give a presentation to dairy production students at the University of Guelph's Ridgetown campus. VFO's Industry Development Director Kendra Keels helped dispel myths about veal production, shared the work VFO does to support calf care, and created partnerships with the next generation of calf-raisers.



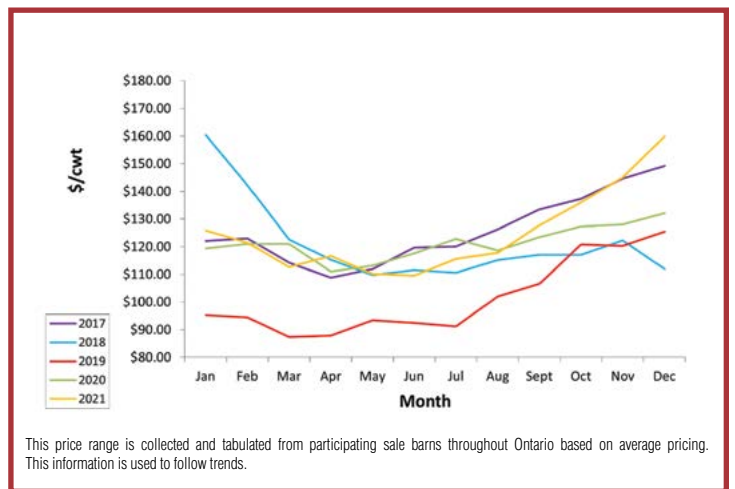
Veal Market Information

Veal market data is collected electronically from Ontario sales barns.

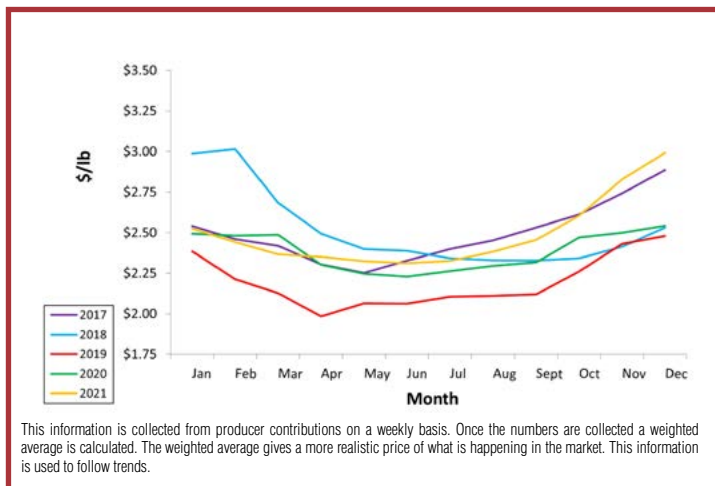
Bob Calf Pricing



Sale Barn Veal Pricing

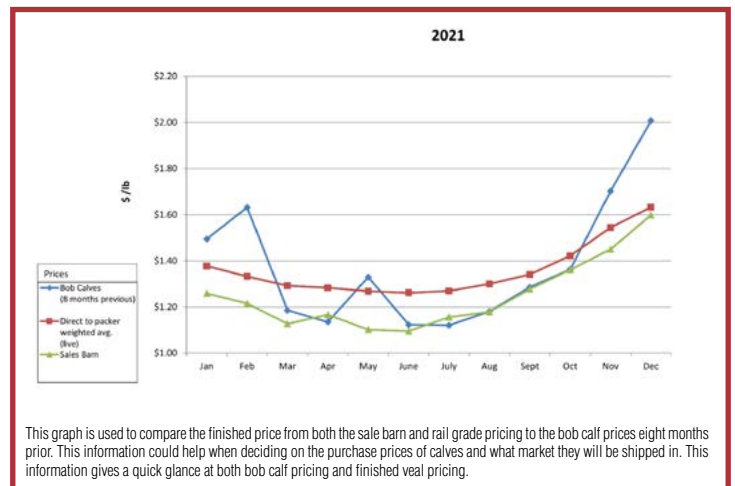


Rail Grade Veal Pricing



Finished Pricing

Finished price compared to bob calf prices (eight months previous)





2021

Financial reports

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, 2021 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, 2021 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 Veal Farmers of Ontario 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Guelph, Ontario
February 23, 2022

Chartered Professional Accountants
Licensed Public Accountants

VEAL FARMERS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash (note 4)	\$ 478,357	\$ 490,674
Short term investments (note 5)	662,640	662,219
Accounts receivable	202,714	178,707
Prepaid expenses	<u>21,247</u>	<u>14,171</u>
	1,364,958	1,345,771
CAPITAL ASSETS (note 6)	<u>19,833</u>	<u>27,297</u>
	<u>\$ 1,384,791</u>	<u>\$ 1,373,068</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 118,410	\$ 150,410
Government remittances payable	<u>16,306</u>	<u>7,770</u>
	<u>134,716</u>	<u>158,180</u>
NET ASSETS		
INTERNALLY RESTRICTED FUND	500,000	500,000
UNRESTRICTED FUND	<u>750,075</u>	<u>714,888</u>
NET ASSETS	<u>1,250,075</u>	<u>1,214,888</u>
	<u>\$ 1,384,791</u>	<u>\$ 1,373,068</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Internally Restricted Fund	Unrestricted Fund	Total 2021	Total 2020
NET ASSETS, beginning of year	\$ 500,000	\$ 714,888	\$ 1,214,888	\$ 1,232,179
Net excess (deficit) of revenues over expenditures for the year	<u>0</u>	<u>35,187</u>	<u>35,187</u>	<u>(17,291)</u>
NET ASSETS, end of year	<u>\$ 500,000</u>	<u>\$ 750,075</u>	<u>\$ 1,250,075</u>	<u>\$ 1,214,888</u>

VEAL FARMERS OF ONTARIO

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
REVENUES		
License fees	\$ 692,644	\$ 615,148
Toronto Stock Yard distribution (note 7)	243,324	235,273
Project income	83,791	115,813
Cost sharing recovery	31,248	32,543
Advertising	24,855	37,990
Miscellaneous	5,750	4,500
Interest	4,019	13,646
Memberships, conferences and workshops	1,973	8,940
Government subsidies	174	5,288
Annual general meeting	0	2,220
	<u>1,087,778</u>	<u>1,071,361</u>
EXPENDITURES		
Wages and benefits	429,783	428,960
Consumer education and communication	256,610	313,925
Program expenses	198,307	175,546
Director expenses	40,498	43,541
Producer communications	29,879	20,281
Rent	25,276	24,273
Office	20,548	27,949
Professional fees	15,334	12,429
Telephone	8,793	9,170
Amortization	8,433	13,530
Memberships	7,249	7,775
Utilities	3,629	3,349
Repairs and maintenance	3,310	3,013
Insurance	3,219	2,521
Interest and bank charges	1,723	2,390
	<u>1,052,591</u>	<u>1,088,652</u>
NET EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES for the year	<u>\$ 35,187</u>	<u>\$ (17,291)</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess (deficit) of revenues over expenditures for the year	\$ 35,187	\$ (17,291)
Items not requiring an outlay of cash		
Amortization	8,433	13,530
Unrealized gain on investments	(292)	16,711
	<u>43,328</u>	<u>12,950</u>
Changes in non-cash working capital		
Accounts receivable	(24,007)	(58,972)
Prepaid expenses	(7,076)	(14,171)
Accounts payable and accrued liabilities	(32,000)	123,596
Government remittances payable	8,536	(3,572)
Deferred income	0	(1,500)
	<u>(11,219)</u>	<u>58,331</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to capital assets	(969)	(2,868)
Short term investments	(129)	271,152
	<u>(1,098)</u>	<u>268,284</u>
NET (DECREASE) INCREASE IN CASH	(12,317)	326,615
NET CASH, BEGINNING OF YEAR	<u>490,674</u>	<u>164,059</u>
NET CASH, END OF YEAR	<u>\$ 478,357</u>	<u>\$ 490,674</u>

VEAL FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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
Computer hardware	- 30 % 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 accounting standards 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.

VEAL FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 2021 compared to the previous period.

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

VEAL FARMERS OF ONTARIO**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2021****4. BANK INDEBTEDNESS**

The organization has utilized \$0 (2020 - \$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 and a current carrying value of \$82,481. No conditions regarding this loan have been breached at year end and no accrued interest relating to this loan is owing.

5. SHORT TERM INVESTMENTS

Short term investments consist of:

	2021	2020
BMO GIC, interest at 0.40% compounded annually, maturing February 26, 2026	\$ 82,481	\$ 0
BMO GIC, interest at 0.40% compounded annually, maturing December 28, 2022	553,728	0
BMO GICs, interest at prime less 2.20% compounded annually, maturing February 15, 2022	26,431	0
BMO Cashable GICs, interest at 1.70% compounded annually, increasing to 2.05% in year two and 2.25% in year three, maturing February 22, 2021	0	82,042
BMO GIC, interest at 0.65% compounded annually, maturing December 24, 2021	0	553,827
BMO GICs, interest at prime less 2.70% compounded annually, maturing February 16, 2021	<u>0</u>	<u>26,350</u>
	<u>\$ 662,640</u>	<u>\$ 662,219</u>

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2021	Net 2020
Furniture and fixtures	\$ 1,544	\$ 790	\$ 754	\$ 942
Computer hardware	3,836	1,307	2,529	2,437
Leaseholds	<u>88,058</u>	<u>71,508</u>	<u>16,550</u>	<u>23,918</u>
	<u>\$ 93,438</u>	<u>\$ 73,605</u>	<u>\$ 19,833</u>	<u>\$ 27,297</u>

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:

2022	\$ 28,000
2023	28,335
2024	<u>22,849</u>
	<u>\$ 79,184</u>

VEAL FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

9. MATERIAL UNCERTAINTY DUE TO COVID-19

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all services.

VEAL
Farmers
of Ontario





THANK YOU TO OUR ANNUAL SPONSORS

PLATINUM



GOLD



SILVER



BRONZE



VEAL FARMERS OF ONTARIO

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