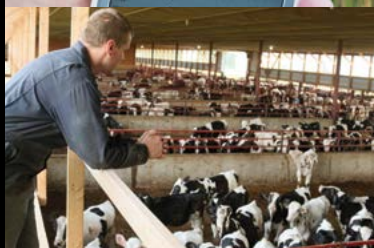




# Our Values



## **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](https://vealfarmers.ca)



# Message from the Chair



Pascal Bouilly

It is a great feeling to be back to in-person events and know that the restrictions of the pandemic are hopefully behind us now. It is hard to believe that it was March 2020 since we last held our Annual General Meeting in-person and I look forward to re-connecting once again with everyone. The value of connections and staying connected is so critically important to the work of Veal Farmers of Ontario (VFO). Connections with our members, our industry partners and colleagues, government and others have served us well over the years so that we can continue to amplify the veal voice.

Staying connected also means working together on the many important issues impacting our sector like business risk management, market access, regulatory impacts, challenges from animal activists, labour issues being faced by our processors, cross-commodity consumer promotions and increased research funding, just to name a few. Being connected also means an understanding of the priorities and issues that matter and will have an impact to our members.

One the most important tools you can

utilize as a veal farmer is the Veal Risk Management Program (RMP). 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 this important program. VFO advocated for meaningful changes to the veal program in 2021 that would see our cost of production model become more responsive to the realities of veal production in Ontario. 2022 saw strong demand on the veal cattle markets and while the RMP payments may not have been as high this year as in past years, the cost of production model responded, and the program is working exactly how it was built to work—there for you when you need it the most.

However, looking ahead to the sustainability of the RMP program, VFO continues to collaborate with our Ontario Agriculture Sustainability Coalition (OASC) partners to address the high input costs, increasing costs of production and the impact of inflation in our sectors. Farmers cannot keep producing food to feed Ontario and the world while carrying all the

risk. That is why the RMP program needs to keep pace with these increased costs and why OASC continues to lobby Minister Thompson for an additional \$100 million to be put into the program. OASC is very supportive of the government's desire to have an Ontario food security strategy, but we must remember that Ontario cannot have food security without our primary producers of food—our farmers.

OASC partners completed a study in 2022 to examine the economic impact of the RMP program. The findings of the report demonstrated that for every dollar spent on the RMP program, \$2.01 to \$3.60 is generated as a return on investment—money that goes back into our local communities, our operations and creates and sustains jobs and our sector. OASC will continue working together to support and strengthen our important business risk management programs.

Animal care has always been and will always be a top priority for all livestock farmers. I am pleased to report that VFO led the Five-Year Veal Code Review process which you will be able to read more about in



this Annual Report. I am most proud of the expertise and resources VFO brought to the process as we invested a significant amount of time to pursue approval of an interpretation regarding hutches in response to feedback from our members who were looking to ensure that their herds were well-cared for throughout the year.

VFO offers a number of important tools to stay connected with the important issues and information. Whether it is the quarterly *The Connection* magazine that is chock full of information, attending a webinar or a workshop, our website and calf care information, participating in a number of industry events or the weekly emails that are sent out with timely and important updates including the market report, VFO strives to ensure members have all available resources they need to succeed.

Throughout 2022, the Board continued to meet both in-person and virtually and we have all been able to realize the benefits of the virtual world by being able to balance the needs of the organization's governance with those of our farms and families, while reducing a lot of travel

time. I encourage all our members to consider becoming a Director and make connections with other producers working towards common goals for our industry.

On behalf of all our members and the VFO Board of Directors, I would like to thank our dedicated staff who continue to work so hard on behalf of us all. The expertise, knowledge, dedication and connections of our staff is remarkable, and they are all such an asset to our organization.

My time as Chair and as a member of the VFO Board of Directors is soon coming to a close. I have often said that I have learnt so much and received far more from the VFO being a board member than I feel that I have contributed. I have had the privilege of working alongside a diverse group of board members who bring their insights and perspectives to the table. I have benefitted from all the support and hard work of our staff that has helped me balance the responsibilities of being Chair. I know that together we have all made a difference for our industry. Thank you for the opportunity to serve as your Chair of this important organization.

And while my time on the VFO board has come to a close it is not goodbye. I look forward to supporting VFO in any way I can and contributing to the Ontario dairy calf and veal industry in new and different ways. My entire career has been dedicated to this industry and I am so proud to be a part of it. VFO is an important organization within the cattle sector, and I know they will continue to push higher and move farther ahead in the year to come on the important issues impacting us all.

# Message from the Executive Director



Jennifer Haley

The older we get the faster time flies by and another year has passed for Veal Farmers of Ontario (VFO). It seems another lifetime ago when I first started with what was then the Ontario Veal Association in early January 1998 and my first task was to organize the Annual General Meeting (AGM) that was to be held at the end of that month! Flash forward a few years and there have been quite a few AGMs since then but one thing remains the same—our AGM is an opportunity to gather together to reflect on the past year and look forward to the year ahead. Our organization may be small in size, but our strength is our people—the members, the board, and the staff all working together towards common goals.

I am so pleased to share this Annual Report with our valued members and industry partners and am so very proud of the important voice that VFO has, allowing us to proactively advocate for the dairy calf and veal sectors. As you read through the Annual Report you will see the many projects, issues, and initiatives that VFO board and staff have worked on over the past year guided by our strategic plan and our important strategic

objectives. Our approach is always with our members at the forefront to ensure the viability of the dairy calf and veal sectors. And while our organization's name may be specific to veal farmers, make no mistake that a significant amount of our resources are dedicated to the dairy calf sector supply chain including dairy farmers, those starting calves as well as those finishing them.

Ensuring our veal sector has a consistent supply of healthy calves has long been a strategic priority for VFO. We have seen the impact on overall calf supply in our dairy calf and veal markets. Changes in the dairy sector cow inventory and breeding programs also bring changes to not only our calf supply but the type of calf that will go into veal production. Changes in the beef sector and their low herd inventory levels are also putting pressure both on supply and price. The veal sector is poised and ready to adapt and grow with all these changes and there most definitely is a role for our sector moving forward. Enduring demand for finished veal cattle will also impact calf supply and we need to ensure that the veal voice is part of the calf supply strategies

moving forward. As the saying goes, the only constant in life is change.

It was great to be back in-person again with our Healthy Calf Conference this past fall to a record-breaking and sold-out crowd. The program featured some fantastic speakers and an opportunity for producers and industry to network and connect once again. And now that everyone has gotten used to the virtual technologies, we were also able to extend our reach to many parts of Canada and around the world with a virtual option. As well, VFO continues to provide a multitude of educational resources for farmers, veterinarians, and industry partners through communication channels like our [calfcare.ca](http://calfcare.ca) website, grain-fed veal factsheets, articles, and webinars. We are proud to share our expertise as your calf care partners.

Consumer marketing is always front and centre for VFO and we try to do the best we can with the limited amount of resources we have available to promote veal to the consumer. VFO was excited to be able to bring back the search for *Ontario's Best Veal Sandwich* (OBVS) contest



to our foodservice partners this past year. Along the way, we met a lot of great veal sandwich-makers who are very passionate about the veal they prepare and cook for their customers. Many of them are family-run, independent restaurants who are working hard to build their businesses—just like many of our farmers. The ‘trainwreck’ sandwich that Anthony and Janet from Mettawas Station in Kingsville served up was crowned the 2022 OBVS champion and trust me when I say it was an amazing veal sandwich!

VFO was pleased to receive funding from Minister Thompson through the Grassroots Growth Initiative program that allowed us to put together a targeted campaign for the holiday season called ‘Celebrating Together Again with Ontario Veal’. Veal is the perfect protein to serve at special occasions, celebrations and family gatherings and many of us were looking forward to seeing everyone again after not being able to with pandemic restrictions. This campaign featured a partnership with some really popular social media influencers focusing on the ethnic consumer.

The opportunity to collaborate at the national level with the Canadian Veal Association or at the provincial level with our Ontario Agriculture Sustainability Coalition partners is an example of how VFO is able to leverage its positive relationships with industry partners in order to advocate for the veal sector. VFO is at the table where discussions take place and decisions are made. VFO is collaborating with our partners on important policy decisions that will impact all farmers. VFO is advocating and using our veal voice to make sure our government understands the needs of the sector.

Organizationally, VFO is fortunate to work with our partners at the Ontario Farm Products Marketing Commission as one of the regulated marketing boards in Ontario. It has always been a priority of VFO to ensure good governance and open dialogue with the Commission, government, and industry partners to ensure the best interests of the dairy calf and veal sectors are addressed. Indeed, licence fees comprise an important pillar for VFO, and it is imperative that the regulations are upheld through ongoing education, dialogue,

enforcement, and compliance initiatives to ensure an equal and equitable system for all.

As we look to 2023 and the year ahead, there will be twists and turns that will come our way. We will adapt and grow and embrace the change that is afoot in our industry. VFO will continue to work on behalf of all its members and follow the course set by our strategic plan with input from our valued members. I would like to close by thanking the VFO Board of Directors for their leadership and support as well as a thank you to our staff who bring their insights, expertise, and passion to everything they do. It is a privilege to be part of the Ontario agri-food sector and we look forward to the year ahead.





## Board of Directors 2022



Pascal Bouilly,  
Chair



Phil Kroesbergen,  
Vice Chair



Cameron Knip,  
Vice Chair



Sid Atkinson



Judy Dirksen



Aaron Keunen



Kurtis Moesker



Dylan Yantzi



# Proudly serving Ontario's veal farmers

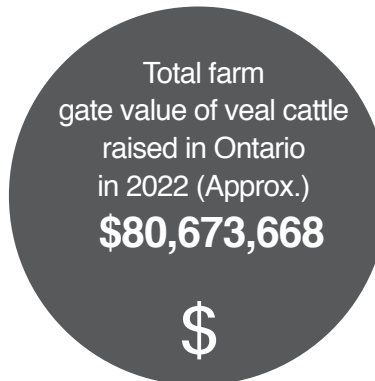
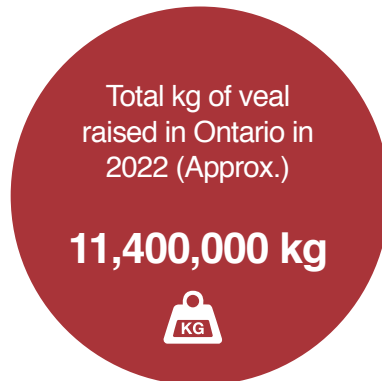


VFO is a producer-run organization that represents the interests of Ontario's veal farmers. We work on a variety of industry projects and address the issues directly impacting producers to create a proactive and engaged male dairy calf and veal industry in Ontario. VFO is open, transparent, and committed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

## 2022



*Disclaimer: These numbers reflect the information available to the best of VFO's knowledge.*

## 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. VFO is fortunate to benefit from the expertise and passion of our long-term staff members who work hard on our behalf.



Jennifer Haley,  
Executive Director



Kendra Keels,  
Industry Development  
Director



Jennifer Bullock,  
Communications  
Manager



Patrick MacCarthy,  
Projects & Policy  
Coordinator



Molly Mazerolle,  
Administrative Assistant



# **2022** Highlights



## Production & Standards

Animal care is a top priority for VFO, and 2022 saw the launch of several projects to ensure all veal cattle consistently receive the highest quality of care.

Building on the success of last year's webinar series, spring 2022 saw the return of the Ask the Expert Virtual Speaker Series, connecting busy producers with leading experts on young calf, veal cattle and business management. VFO also launched a new virtual evening workshop series for grain-fed veal producers throughout the fall covering business risk management programs and veal cattle nutrition.



### Healthy Calf Conference

Dr. Kelly Barratt, veterinarian and dairy producer, addressed an audience of over 300 at the hybrid 2022 Building the Foundation: Healthy Calf Conference (HCC). Her talk focused on new colostrum guidelines, practical techniques and equipment that can be used on-farm to manage, monitor and improve calf health and welfare.

The tenth biennial event, hosted by VFO, was held in Stratford this past November, marking 18 years of the HCC. Barratt's talk concluded the day, framing recommendations from veterinarians and researchers earlier in the program in a practical way and allowing attendees to see how the latest research in calf management can be used on their own farm.





# Building the Foundation

Healthy Calf Conference 2022



Expert speakers, including Harold House M.Sc P.Eng from DairyLogix, and Drs. Michael Steele and Devon Wilson from the University of Guelph offered advice on all aspects of calf management, including health, housing, welfare, and nutrition. Dr. Frederic Beaulac from Triple-V Veterinary Services and Dr. Cynthia

Miltenburg from the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) were part of a special focus on *Salmonella* Dublin during the day-long event.

Each attendee left with practical tips they could implement during that evening's chores, and in-person attendees also took home a free copy

of VFO's *Building the Foundations for Healthy Calves II* manual. As your calf care partners, 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.

VFO is funding a research project entitled *Evaluating the health and growth impact of transport on male dairy calves* by the University of Guelph's Dr. Dave Renaud 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. This project will be complete in 2023. VFO is supporting this research with the hope that understanding the challenges young male dairy calves arriving to veal facilities experience can help dairy and veal producers work together to mitigate their effects and make the transition less stressful.

VFO supported a new project at the University of Guelph, *The optimization of purebred and crossbred dairy calf performance, health and welfare*, which is a collaboration of Drs. Michael Steele and Dave Renaud. The goal of the project is to determine strategies to optimize the management of purebred and crossbred dairy calves focusing on the influence of genetics, nutrition,

and mitigation of stress and disease, thereby improving productivity, health, welfare, and sustainability of the Canadian dairy, veal, and beef industries. The project will be complete in 2028.

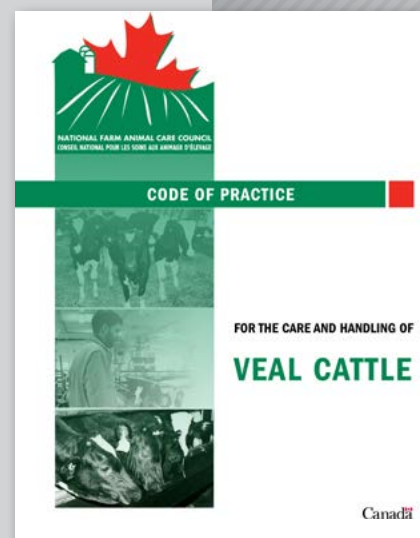
VFO has supported a Dairy Research Chair together with Dairy Farmers of Ontario. The *Sustainable health management for dairy cattle* in Canada project will be led by Drs. Dave Kelton, Stephen LeBlanc, and Dave Renaud from the University of Guelph. The themes will focus on antibiotic use, resistance, and stewardship (AMU/AMR/AMS), sustainable milk production, and infectious disease and biosecurity. The project will be complete in 2026.

In addition to mitigating risks at the farm-level, Ontario's veal producers are committed to producing a safe, high-quality product. The Verified Veal Program (VVP) is the Canadian On-Farm Food Safety Program for the veal industry. It outlines a set of Good Production Practices and producer-de-

veloped protocols designed to provide consumers with the assurance that the veal produced in Canada, both grain-fed and milk-fed, is safe and of the highest quality. VFO and Les Producteurs de bovins du Québec completed the 18-month review of VVP in the fall of 2022, which was approved by the Canadian Food Inspection Agency (CFIA) in December.

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 Farmed 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.

2022 also saw completion of the five-year review for the *Code of Practice for the Care and Handling of Veal Cattle* (Veal Code). Following the NFACC process, the CVA formed a Code Technical Panel (CTP) to perform the review and discuss an interpretation of a requirement in Section 3.2 Young Animal Housing: "Effective December 31, 2020, calves in hutches and outdoor enclosures must not be tethered and calves in hutches must be able to access an area outside the hutch." The CTP concluded that as is reflected in the Veal Code, calves must not be tethered; therefore, a fenced-off area is necessary to safely contain calves that have access to an area outside the hutch. In the interest of appropriate management strategies and calf welfare, the CTP recommends this interpretation; outdoor access can be optional during mid-November to mid-April where high rain and/or snowfall and/or cold temperatures are possible, until the 10-year Veal Code update is complete. VFO listened to the concerns of our members and advocated on behalf of Ontario veal producers for this important and timely clarification to the Veal Code. Animal care is a top priority for VFO and Ontario's veal producers.







## 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. 2022 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 in-person events, and participating in provincial and national initiatives that impact the veal sector.

VFO represents the Ontario veal sector on several key industry committees and councils that foster collaboration amongst the industry, including the Ontario Agriculture Sustainability Coalition (OASC), the Farm and Food Care

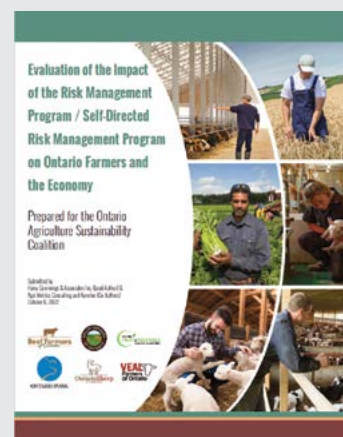
Ontario (FFCO) Member Forum, the Ontario Agricultural Commodity Council, the Risk Management Program (RMP) Veal Reference Committee, the Ontario Livestock and Poultry Council, the Transportation Working Group, the Livestock Research Innovation Council, and Meat and Poultry Ontario (MPO).

Maintaining and supporting business risk management (BRM) programs for producers is one of VFO's strategic directions. VFO, as a member of OASC, was pleased to support the release of a new study examining the economic impact that Ontario's RMP program has on Ontario farms, farm production and the broader Ontario economy. It showed that every dollar spent on the RMP program led to a possible \$3.60 return on investment, leading to an economic output up to \$506.2 million. The study demonstrates that provincial investment in the RMP program is good for farmers, good for the Ontario economy, and supports job creation. Together with

our OASC partners, industry continues to lobby the provincial government for additional investments to the RMP program. The RMP program is a critical tool that enables veal producers to help build domestic food security amidst supply chain disruptions, inflationary pressure, and rising input costs.

VFO submitted a letter to the province's consultations for budget 2022. VFO's submission highlighted the need for increased funding to the RMP program to help veal producers insure themselves against the increased risks caused by inflation, rising interest rates, and supply chain challenges. To further strengthen our request for additional RMP funding,

VFO made a joint submission with our industry colleagues in the OASC. This submission demonstrated the strong economic value of the RMP program to the province and reiterated OASC's consistent request for the government to fully fund the program at \$250 million.





VFO has been collaborating with MPO and our livestock partners to ensure there are resources available to the processing sector and we are pleased to see government funding and investment in growing processing capacity in Ontario. Additional issues that VFO is actively engaged on with our industry partners include access to large animal veterinarians, dead-stock removal options, transportation, special interest groups, and more. VFO looks forward to continuing to work with all our partners and be part of the collective voice for Ontario agriculture.

VFO was pleased to participate in the virtual Ontario Food Summit hosted by the Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs, in early March. It is increasingly important that we all work together to strengthen Ontario's agri-food sector, and this was an excellent opportunity to discuss ideas and collaborate on

strategies that will make our industry even more resilient.

Ahead of the 2022 provincial election, VFO launched a campaign to highlight our provincial election priorities and raise awareness of the many challenges and opportunities that impact the veal industry and rural Ontarians. VFO looks forward to working collaboratively with the new provincial government to support primary agricultural production and our farmers in their efforts to continue to build a robust domestic food supply chain for all Ontarians. VFO's priorities are developed in consultation with members to align with our vision to build a proactive and engaged dairy calf and veal industry in Ontario.

VFO has been engaged with our industry partners to address lack of access to veterinary care and was pleased to see positive outcomes like the joint investment through the Livestock Veterinary Innovation Initiative.

This funding will help bridge the gap – especially for those farmers in remote, underserved areas—and better support animal health, the livestock agri-food sector and the strength of the province's food supply. The health and well-being of our animals is always a top priority and ensuring all farmers have access to large animal veterinarians, regardless of their location in the province, is of critical importance.

### VEAL FARMERS OF ONTARIO PRIORITY ISSUES FOR THE VEAL SECTOR

**INCREASE RISK MANAGEMENT PROGRAM FUNDING BY \$100 MILLION**

An investment in a stronger Risk Management Program (RMP), a critical tool for veal farmers, will allow the industry to better anticipate and better manage food security, animal health, supply chain disruptions, environmental pressures, and rising input costs.

**SUPPORT FUNDING FOR DOMESTIC MARKETING INITIATIVES**

Share Ontario's share of the grocery dollar through increased domestic marketing funding to highlight the diversity of made-in-Ontario food, investing in food food management, food security, create jobs, and ensure that our province is self-sufficient.

**PROTECT THE ENVIRONMENT AND RURAL COMMUNITIES**

Recognize the role Ontario farmers play in carbon sequestration and ensure that farms receive sufficient support in any carbon pricing program. Work with federal counterparts to remove the carbon tax on grain drying.

Create additional financial supports to help farmers adopt new technologies and environmental practices.

Invest in farmstead through including new provincial food use policies that will recognize the value of agricultural lands to all Ontarians and will ensure that Ontario farms will continue for generations to come.

**ENHANCE MENTAL HEALTH SUPPORTS**


Farmers and those living in rural communities face high levels of stress and isolation, and often lack local support networks. Commit to expanding mental health supports, resources, and services for farmers and rural Ontarians.

**EXPAND ONTARIO'S MEAT PROCESSING CAPACITY**

Work with the agriculture industry to recruit and train workers across the meat value chain.

Invest in new infrastructure projects to provide facilities to expand processing capacity. This will reduce wait times, create competition, and secure domestic food supply.

Ontario's veal farmers generate over \$475 million in economic activity, creating employment opportunities and building stronger rural communities for all Ontarians.



## 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 Cattle Association

Canada Beef

Canadian Meat Council

Canadian Veal Association

Christian Farmers Federation of Ontario

Dairy Farmers of Ontario

Farm & Food Care Ontario

Foodland Ontario

Les producteurs de bovins du Quebec

Livestock Research Innovation Council

Meat & Poultry Ontario

National Farm Animal Care Council

Ontario Agricultural Commodity Council

Ontario Agriculture Sustainability Coalition

Ontario Animal Health Network

Ontario Association of Bovine Practitioners

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

Toronto Stockyards Land Development Board



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 Chair Pascal Bouilly, along with other industry stakeholders, testified in court in June, defending the Act and its importance to Ontario veal farmers. VFO will continue working on this priority issue to protect our livestock, our farms, and our families.

As part of their Healthy Eating Strategy, Health Canada proposed an unwarranted 'high saturated fat' front-of-package (FOP) label for ground veal, beef, pork, and lamb sold in retail. Due to the nutritional value of ground veal, limited impact on Canadians' saturated fat intake, and to also protect against possible trade implications, the CVA sent Health Canada and Agriculture and Agri-Food Canada (AAFC) a letter requesting an exemption for ground veal, and all single-ingredient ground red meats, from FOP regulations. VFO also encouraged veal producers and industry partners to share their concerns on social media and visit the Canadian Cattle Association website [dontlabelmybeef.ca](http://dontlabelmybeef.ca) to sign-up and show our opposition to this misleading label. VFO was pleased that Health Canada has recognized the importance of ground meat as a nutritious, affordable protein in Canadian's diets and has now provided this exemption. VFO Director Judy Dirksen represented the Ontario veal sector in a mid-August roundtable meeting with the Chair of the federal Standing Committee on Agriculture and Agri-Food. Kody Blois, Member of Parliament for the Nova Scotia riding

of Kings-Hants, toured farms in the Niagara-area and met with industry leaders about the issues and priorities of Ontario farmers. VFO was pleased to join this conversation with our fellow industry organizations to communicate the concerns and issues impacting our sectors and offering suggestions for a path forward.



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 re-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.

Pascal Bouilly, VFO Chair, attended the Minister's Agriculture Roundtable at Queen's Park in early November, along with our industry colleagues to talk about the priorities and opportu-

nities facing our sector with Premier Ford and Minister Thompson. VFO appreciated the opportunity to share more about the issues facing the grain-fed veal industry and the impactful discussions with our fellow agriculture and food sector leaders.



The Government of Ontario is in the process of updating reference tables in the *Nutrient Management Act* to better reflect current livestock production practices. The changes impacting grain-fed veal involve an update to the weight of veal cattle from 690 pounds to 725 pounds, which VFO is supportive of. However, VFO is concerned with the proposed changes to the housing capacity area allocated per animal which contains an incorrect reference into the housing space requirements in the Veal Code. The Veal Code provides outcome-based

housing requirements and does not list a specific numerical spacing requirement as the rationale for the updates suggests. VFO continues to express its concerns to OMAFRA on this long-standing unresolved issue.

In response to the results of a periodic third-party actuarial review, the Livestock Financial Protection Board (LFPB) has requested a check-off fee increase from 10 cents per head of cattle to 30 cents per head. Understanding the need for the fund to remain sound with rising cattle prices as well as the additional costs that come with the downloading of the program from OMAFRA, VFO is in support of the check-off fee increase. However, VFO believes that LFPB must also address other longstanding issues to strengthen the Ontario Beef Cattle Financial Protection Program including enforcement and compliance, program administration, and improve accountability.



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. This past year, the CVA developed a strategic plan to outline opportunities for leadership and collaboration to further promote the Canadian veal sector.

To address strategic calf supply issues, the CVA submitted a request to the CFIA to amend the Health of Animals Regulations (the Regulations) and Import Reference Document to increase the time limit from 36 to 40 weeks for imported calves brought into Canada to approved quarantine facilities. The CFIA is

following the regulatory process to update the Regulations and the Import Reference Document in response to our request. The CVA has lobbied the Minister by requesting a quick implementation process and that the CFIA provide clear timelines to the CVA.

Despite the lobby efforts of industry, including the CVA, the Government of Canada, and numerous US states, Proposition 12 has been implemented in the state of California. Distributors are now required to certify that all pork, eggs, and veal imported into California are compliant with Proposition 12 non-scientific housing standards. The Supreme Court is currently hearing a case brought forward by pork producers that the law violates the Constitution commerce clause. A decision is expected in Summer 2023.

The CVA has been meeting with industry partners and AAFC to discuss potential American voluntary Country of Origin Labeling (COOL) requirements. Americans look for "Product of the USA" labels and these changes could put Canadian veal at a competitive disadvantage, a serious challenge for the Canadian veal industry as over 90 per cent of veal exports are destined for the United States. The CVA is grateful to AAFC for taking a proactive approach on this issue and will continue to advocate with our industry partners for policies that support Canadian producers.

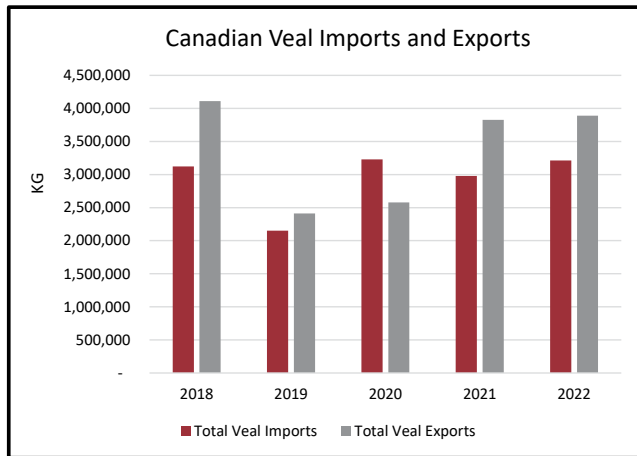
The CVA has formed a calf supply committee to review and analyze current trends in the calf supply market with regards to the impact on availability, based both on breed and gender. The committee has been working with several industry partners to better understand the dairy reproductive strategies being used and the impact of the dairy-beef sector's draw on the calves for feedlot placement.

The CVA signed onto a joint letter requesting that the Government of Canada issue an extension for the use of a crop protection product called Lambda-cyhalothrin on crops destined for feed. This decision, made with little scientific evidence, threatens the ability of the livestock sector to source feed and may create significant supply chain disruptions and increase costs for producers, further reducing competitiveness.

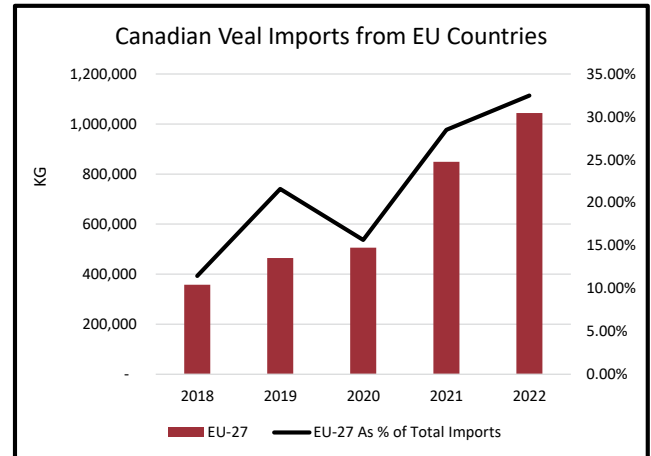
The CVA signed onto a joint lobby effort from the Ontario Livestock Transporters' Alliance to the Minister of Transport requesting exemptions to livestock truckers' on-duty time to safeguard the welfare of livestock being transported. The request asks for harmonization with US transport regulations which would provide Canadian livestock transporters with the flexibility they need to maintain the highest level of safety for drivers on the roads, to transport livestock humanely, to maintain a consistent set of rules for drivers crossing the border and to prevent food supply chain disruptions while also keeping the importance of animal care a top priority.

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.

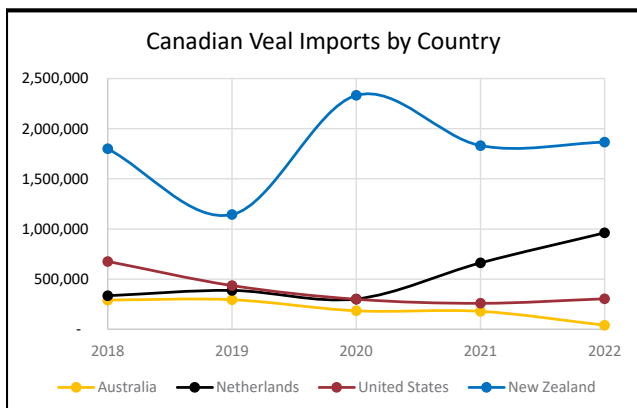




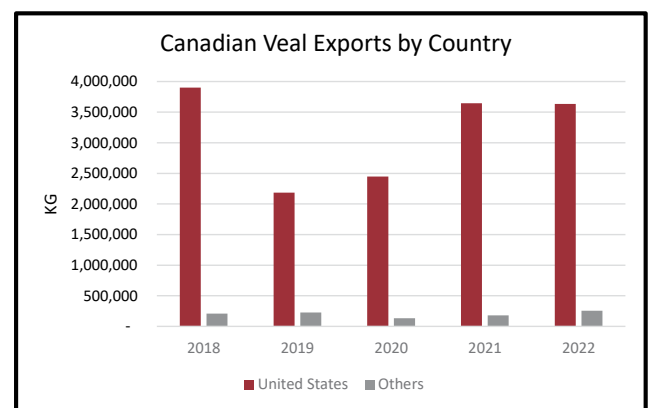
Canada continues to maintain a trade surplus for veal. In 2022, Canadian veal exports were up to 3.9 million kgs, a year over year increase of 2% by volume and 27% by value. Veal imports increased in volume by 8% and 20% in value compared to 2021. Inflation is likely causing the disconnect between volume and value.



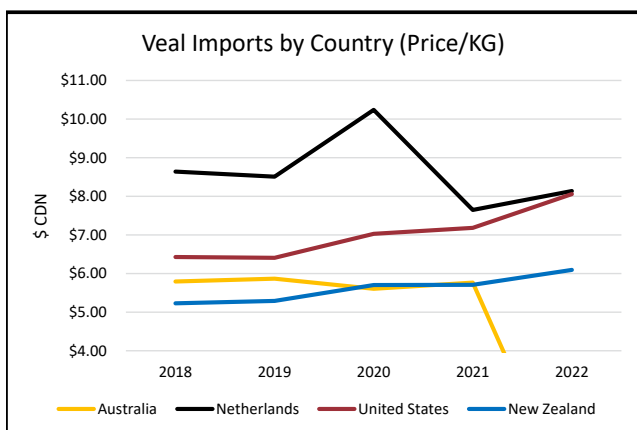
The volume of veal imports from the EU (red) is up 23%, compared to 2021. This is equivalent to 32.5% of Canada's veal imports (black line); this 4% increase continues the trend of higher EU imports reported since 2018. The Netherlands is the predominant supplier of European imports, with smaller volumes imported from Italy and France.



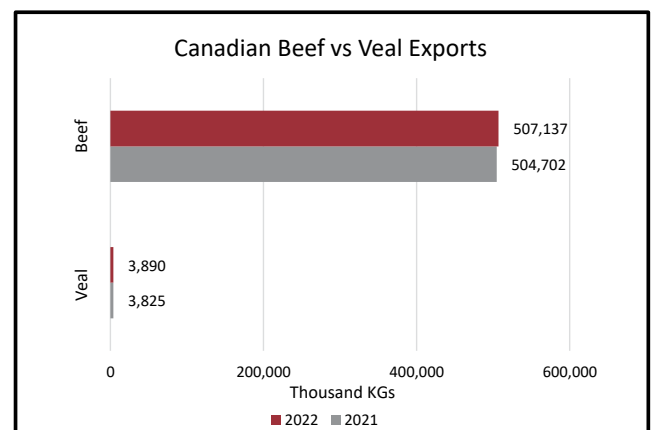
New Zealand remains the largest source of veal imported to Canada, with Dutch imports continuing to rise. Imports from the USA held steady from 2021. No Australian imports have been reported. Larger import volumes from other EU countries are also being reported.



Veal exports to the USA held steady with 2021. The growth in Canadian veal exports came from increased trade with the Middle East. This is the highest amount of veal exports since 2018.



The per kg price of veal imported from the Netherlands rose slightly in 2022 from lows set in 2021 at \$8.14/kg. The value of American cuts remains at higher levels in 2022 at \$8.06/kg, while the value of New Zealand imports held relatively steady at \$6.09/kg.



While veal represents just a small fraction of Canada's red meat trade, both veal and beef exports have marginally increased compared to this time last year.

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



## Marketing & Promotions



VFO's consumer marketing strategy strives 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.

The Ontario Veal Appeal social media accounts continue to be excellent avenues of connecting with consumers. Through our various social media channels, we continue to engage and build relationships with our stakeholders and followers by providing content focused on recipe and meal inspirations. Consumers seem to prefer Instagram compared to other chan-

nels with a higher engagement rate and an increase in followers. Ontario Veal Appeal is also now on Tik Tok, uploading recipe videos and reels to help reach a wider audience of veal consumers on this popular social media platform.

Our "Vealing Delicious!" e-newsletter arrives bi-weekly in over 3000 subscribers' inboxes, filled with veal recipes, menu inspiration, cooking techniques and other targeted information to help consumers add veal to their planned meals. The [ontariovealappeal.ca](http://ontariovealappeal.ca) consumer-focused website is a resource for all things veal with recipes, photos, cooking information, instructional videos and more. 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 *Ontario's Best Veal Sandwich* (OBVS) 2022 competition was held in a tournament-style format with the goal of supporting the many different independent family-run restaurants that serve Ontario veal and who have weathered their share of challenges during the pandemic. Over the course of three weeks, eight semi-finalists competed head-to-head in a tournament-style elimination draw. The final competition took place at the historic St. Lawrence Market in June, hosted by John Catucci from Food Network Canada. With in-person judging and a live-stream, consumers were able to see our veal sandwich-makers compete for the OBVS 2022 title. And with their signature 'trainwreck veal sandwich', Anthony and Janet DelBrocco from Mettawas Station took the crown. Not only did they win bragging rights and lots of publicity, but their prize also featured a custom promotional video with John Catucci.



VFO, as the lead organization, and Montpak International partnered with Canada Beef to leverage funding and use their valuable industry expertise, insights, and connections to interested retailers and foodservice companies in Japan who are looking to increase their sales of Canadian Veal. The project will support Japanese requests for marketing materials including retail product labels and promotional posters for

restaurants, and involves exhibiting at trade shows, and evaluation and analysis with feedback and reporting provided by the Canada Beef Japanese team. Looking at the opportunities to grow demand for Canadian Veal, in a marketplace that is looking for our product and already values the Canada brand, will help to diversify our markets, provide options for processors to help balance carcass utilization and ultimately

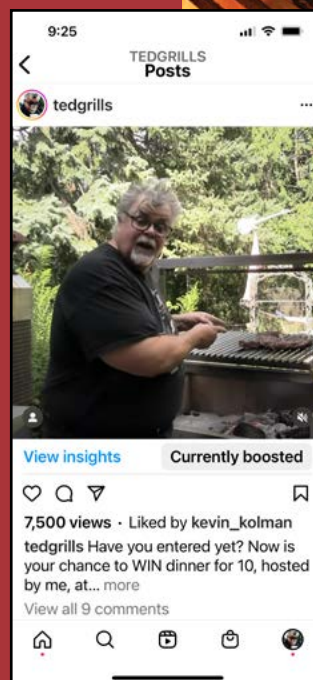
grow demand for veal cattle, which will benefit and support veal producers. Most importantly, developing partnerships with key industry partners to leverage expertise, funding and support is critical for VFO on the path forward.





This summer, Ontario Veal Appeal launched an online contest to encourage consumers to purchase veal for barbecuing and partnered with the Godfather of the Grill, Ted Reader, to raise awareness for all the great ways veal can be cooked on the grill. Along with the opportunity to win one of six prize packages, the Grand Prize was an Ontario Veal Appeal dinner for 10 at Ted Reader's restaurant—The Joint BBQ.

Ontario Veal Appeal once again collaborated with Ted Reader this year with new and delicious veal grilling recipes that were promoted not only on VFO's social media channels but Chef Ted's as well, enabling us to reach even more consumers craving great meat grilling inspiration. As part of our media outreach, VFO partnered with *Canada's Food & Drink* magazine (distributed through the *Globe & Mail*) with a veal barbecue print ad as well as digital campaign displayed on various billboards on Ontario's highways.



To highlight the holidays, Ontario Veal Appeal launched the 'Celebrating together again with Ontario Veal' campaign as part of a consumer marketing program targeting the many different multicultural celebrations and traditions that are part of the holiday season. The campaign, funded in part by OMAFRA, focused on promoting local Ontario Veal to Ontario's culturally diverse communities. VFO partnered with several social media influencers to create special holiday-themed recipes based on their backgrounds and cultures. VFO Directors and staff were also part of the campaign sharing their favourite Ontario Veal recipes on the Ontario Veal Appeal social media platforms to bring a connection back to the hard-working farm families raising Ontario veal for the consumer. With an integrated marketing campaign including digital,

social, print, and broadcast media channels, VFO amplified our message that a special meal deserves a special cut of Ontario Veal. Included in the media plans were advertisements in the very popular *Food & Drink* magazine which aligns perfectly with our key consumer demographic.



This holiday season  
we celebrate being  
together again.  
Make every occasion  
exceptional with  
**Ontario veal.**



## Grilled Veal Rib Chops Florentine

For the full recipe visit  
[OntarioVealAppeal.ca](http://OntarioVealAppeal.ca)



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 of an Ontario grain-fed veal farm was released in early 2022, 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. An educator resource was developed to accommodate requests from many teachers across Canada wondering how they can use the virtual reality site in their classroom teachings.

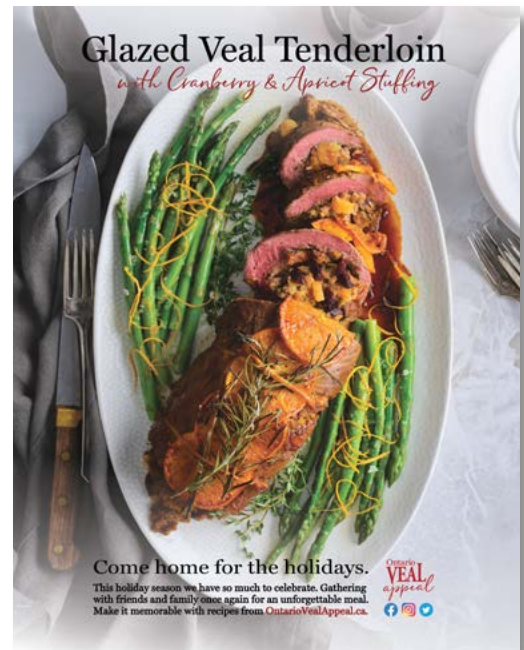
Local Food Week is a celebration of the bounty of fresh, healthy food grown, produced, and processed right here in Ontario. Ontario Veal Appeal took part in a media tour in collaboration with several of our commodity group partners as part of a #30DaysofLocal campaign. A recipe demonstration with Chef Ted Reader grilling up Ontario veal and other

locally grown favourites was featured on a TV segment with CHCH Morning Live. Ontario veal was also part of an online and print feature in the Toronto Sun, Ottawa Sun, Edmonton Sun, Calgary Sun, and Winnipeg Sun by National Food Editor Rita DeMontis. VFO also engaged with consumers through our social accounts, sharing where to find our FarmFood360° video so they can meet real Ontario veal farmers, and directing them to the MPO 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.



On February 22, 2022, VFO celebrated Canada's Agriculture Day by taking part in the #TacoBoutAg challenge with our commodity group partners, encouraging our followers to fill their plates with local ingredients for their taco creations and share photos on social media. VFO shared Chef Ted Reader's Ontario Veal Street Tacos recipe for inspiration. Canada's Agriculture Day celebrates each member of the agrifood supply chain that works hard to ensure Canadian plates remain full of local, nutritious food. The online classroom resource to accompany the grain-fed veal FarmFood360° video was also released by FFCO and Agriculture in the Classroom Canada as part of the celebrations.





Held October 3 to 9, 2022, Ontario Agriculture Week celebrated the abundance of food Ontario farmers produce, the Ontarians our industry employs, the rural communities we support and the economic engine we fuel. VFO used this opportunity to thank our supply chain partners, share resources to support our industry partners at Source Local events in Thunder Bay, London, Ottawa, and Halton Region, and celebrate our pride in veal farming using the hashtags #ONTAgWeek and #LoveONTfood.



VFO has several different programs that help to build public trust with the consumer while at the same time help us achieve our organization's goals to promote the sector and increase veal consumption. VFO also partners with organizations such as FFCO to build public trust by supporting events like their very popular Breakfast From the Farm program. VFO staff volunteered at the Paris event, and our "All About Veal" brochure was included in the swag bags of attendees going to the Paris, Elora, and Milton events so that consumers can learn the facts about veal production. VFO Director Phil Kroesbergen was also profiled for FFCO's Faces Behind Food project, with a story focused on how veal cattle are cared for on his family farm. His story was shared on Instagram and Facebook in late December. The profile received great feedback and positive comments, providing another opportunity to dispel misconceptions about our industry.







## 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.

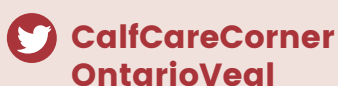
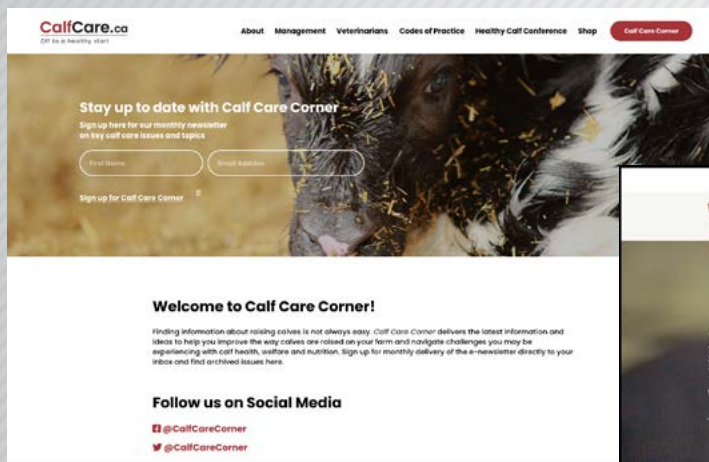
*The Connection* magazine is the official quarterly publication of VFO, highlighting the work we do on behalf of the veal cattle and male dairy calf sector, including how licence fees are used to drive demand for Ontario veal, production articles to help optimize calf and cattle raising, and relevant industry news. New and archived issues of *The Connection* are available digitally on [veal-farmers.ca](http://veal-farmers.ca). VFO also distributes the market report and a selection of news from our industry partners electronically via the weekly "The Connection e-Update", along with special email bulletins with important and timely information about key industry issues.



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.



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, vealfarmers.ca, with relevant and timely information for Ontario grain-fed veal producers on management and markets, upcoming events, and links to additional resources, and calfcare.ca, an online toolbox for producers and industry professionals navigating challenges with calf health, welfare, and nutrition.

VFO's "Calf Care Corner" e-newsletter is released monthly to producer members and industry partners, to share information pertaining to neonatal calf health with producers and strengthen and solidify our position as your calf care partners.

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. Our reach for both our corporate and educational social media channels continued to grow in 2022.



Deciding to raise calves for the grain-fed veal market requires thorough 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 bi-monthly in 2022 and can be found at vealfarmers.ca.

Marking our return to in-person events, VFO attended Canada's Outdoor Farm Show in September, reconnecting with veal and dairy producer members, discussing industry issues, promoting calf care, and distributing resources. We encouraged producers to visit our booth, tweeting throughout the day and promoting our location on VFO's social media channels.



HCC speaker Harold House dropped by the VFO booth at Canada's Outdoor Farm Show.



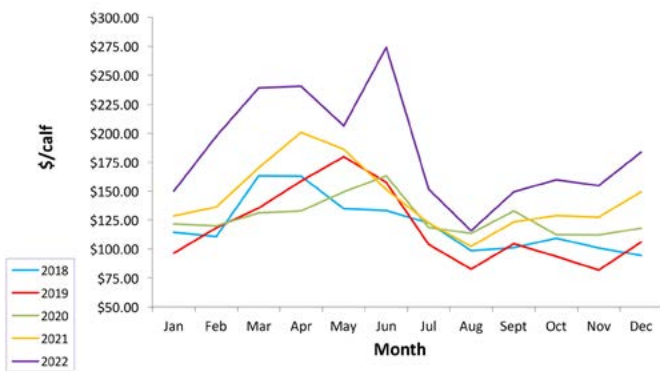




# Veal Market Information

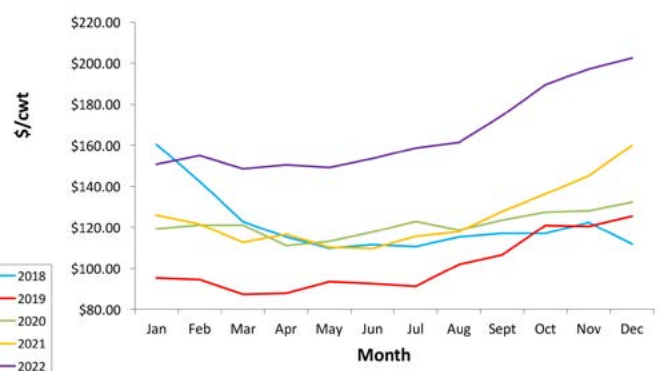
Veal market data is collected electronically from Ontario sales barns.

## Bob Calf Pricing



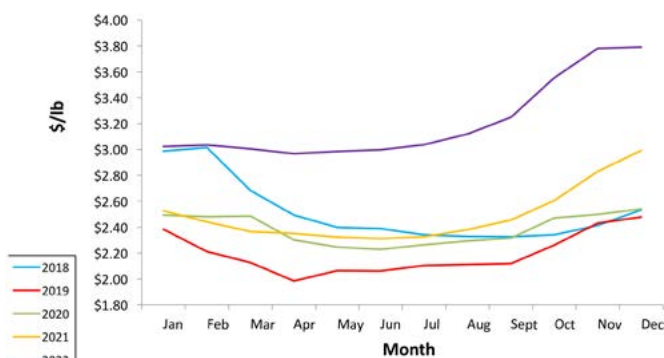
This price range is collected and tabulated from participating sale barns throughout Ontario based on average pricing. This information is used to follow trends.

## Sale Barn Veal Pricing



This price range is collected and tabulated from participating sale barns throughout Ontario based on average pricing. This information is used to follow trends.

## Rail Grade Veal Pricing



This information is collected from producer contributions on a weekly basis. Once the numbers are collected a weighted average is calculated. The weighted average gives a more realistic price of what is happening in the market. This information is used to follow trends.

## Finished Pricing

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



This graph is used to compare the finished price from both the sale barn and rail grade pricing to the bob calf prices eight months prior. This information could help when deciding on the purchase prices of calves and what market they will be shipped in. This information gives a quick glance at both bob calf pricing and finished veal pricing.





2022

# Financial reports

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## INDEPENDENT AUDITOR'S REPORT

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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, 2022 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, 2022 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 15, 2023

Chartered Professional Accountants  
Licensed Public Accountants



**VEAL FARMERS OF ONTARIO**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (note 4)	\$ 453,994	\$ 478,357
Short term investments (note 5)	664,695	662,640
Accounts receivable	290,796	202,714
Prepaid expenses	<u>14,860</u>	<u>21,247</u>
	1,424,345	1,364,958
<b>CAPITAL ASSETS</b> (note 6)	<u>12,303</u>	<u>19,833</u>
	<u><u>\$ 1,436,648</u></u>	<u><u>\$ 1,384,791</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 207,905	\$ 118,410
Government remittances payable	3,762	16,306
Deferred sponsorship income	<u>15,775</u>	<u>0</u>
	<u>227,442</u>	<u>134,716</u>
<b>NET ASSETS</b>		
<b>INTERNALLY RESTRICTED FUND</b>	500,000	500,000
<b>UNRESTRICTED FUND</b>	<u>709,206</u>	<u>750,075</u>
<b>NET ASSETS</b>	<u>1,209,206</u>	<u>1,250,075</u>
	<u><u>\$ 1,436,648</u></u>	<u><u>\$ 1,384,791</u></u>

**VEAL FARMERS OF ONTARIO**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Internally Restricted Fund</b>	<b>Unrestricted Fund</b>	<b>Total 2022</b>	<b>Total 2021</b>
<b>NET ASSETS, beginning of year</b>	\$ 500,000	\$ 750,075	\$ 1,250,075	\$ 1,214,888
Net (deficit) excess of revenues over expenditures for the year	<u>0</u>	<u>(40,869)</u>	<u>(40,869)</u>	<u>35,187</u>
<b>NET ASSETS, end of year</b>	<u><u>\$ 500,000</u></u>	<u><u>\$ 709,206</u></u>	<u><u>\$ 1,209,206</u></u>	<u><u>\$ 1,250,075</u></u>

**VEAL FARMERS OF ONTARIO**

**STATEMENT OF REVENUES AND EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
License fees	\$ 692,467	\$ 692,644
Toronto Stock Yard distribution (note 7)	246,741	243,324
Advertising	64,505	24,855
Project income	54,193	83,791
Memberships, conferences and workshops	25,758	1,973
Cost sharing recovery	10,000	31,248
Interest	4,293	4,019
Annual general meeting	500	0
Miscellaneous	0	5,750
Government subsidies	0	174
	<u>1,098,457</u>	<u>1,087,778</u>
<b>EXPENDITURES</b>		
Wages and benefits	478,324	429,783
Consumer education and communication	371,501	256,610
Program expenses	88,780	198,307
Director expenses	57,412	40,498
Producer communications	41,344	29,879
Rent	27,033	25,276
Office	25,090	20,548
Telephone	12,747	8,793
Professional fees	8,900	15,334
Memberships	8,857	7,249
Amortization	7,530	8,433
Utilities	4,254	3,629
Insurance	3,607	3,219
Repairs and maintenance	2,754	3,310
Interest and bank charges	1,193	1,723
	<u>1,139,326</u>	<u>1,052,591</u>
<b>NET (DEFICIT) EXCESS OF REVENUES OVER EXPENDITURES for the year</b>	<u>\$ (40,869)</u>	<u>\$ 35,187</u>

**VEAL FARMERS OF ONTARIO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
(Deficit) excess of revenues over expenditures for the year	\$ (40,869)	\$ 35,187
Items not requiring an outlay of cash		
Amortization	7,530	8,433
Unrealized gain on investments	(1,608)	(292)
	<u>(34,947)</u>	<u>43,328</u>
Changes in non-cash working capital		
Accounts receivable	(88,082)	(24,007)
Prepaid expenses	6,387	(7,076)
Accounts payable and accrued liabilities	89,495	(32,000)
Government remittances payable	(12,544)	8,536
Deferred sponsorship income	15,775	0
	<u>(23,916)</u>	<u>(11,219)</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Additions to capital assets	0	(969)
Short term investments	(447)	(129)
	<u>(447)</u>	<u>(1,098)</u>
<b>NET DECREASE IN CASH</b>	(24,363)	(12,317)
<b>NET CASH, BEGINNING OF YEAR</b>	<u>478,357</u>	<u>490,674</u>
<b>NET CASH, END OF YEAR</b>	<u>\$ 453,994</u>	<u>\$ 478,357</u>



**VEAL FARMERS OF ONTARIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**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.

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**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 2022 compared to the previous period.

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



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**4. BANK INDEBTEDNESS**

The organization has utilized \$0 (2021 - \$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 \$82,881. 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:

	<b>2022</b>	<b>2021</b>
BMO GICs, interest at prime less 2.40% compounded annually, maturing February 14, 2023	\$ 26,497	\$ 26,431
BMO GIC, interest at 4.30% compounded annually, maturing January 2, 2024	555,317	553,728
BMO GIC, interest at 0.50% compounded annually, maturing February 26, 2024	<u>82,881</u>	<u>82,481</u>
	<u>\$ 664,695</u>	<u>\$ 662,640</u>

**6. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2022</b>	<b>Net 2021</b>
Furniture and fixtures	\$ 1,544	\$ 941	\$ 603	\$ 754
Computer hardware	3,836	2,066	1,770	2,529
Leaseholds	<u>88,058</u>	<u>78,128</u>	<u>9,930</u>	<u>16,550</u>
	<u>\$ 93,438</u>	<u>\$ 81,135</u>	<u>\$ 12,303</u>	<u>\$ 19,833</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:

2023	\$ 28,335
2024	<u>22,849</u>
	<u>\$ 51,184</u>

**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.



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