



FACT SHEET: VFO Licence Fee Questions & Answers

What is a dealer? (*Livestock and Livestock Products Act, R.S.O. 1990, Chapter L.20, section 1 definitions*)

A “livestock dealer” means a person engaged in the business of buying or selling livestock as a principal or as an agent.

What is a licenced dealer? (*Farm Products Payments Act, OR 321/11, section 1 definitions*)

A “licenced dealer” means a dealer licenced under the *Livestock and Livestock Products Act*.

The amended definition of “Veal Cattle” includes:

- a) Male calves or freemartin female calves of any dairy breed or dairy crossbreed, each weighing no more than 150 pounds (68 kilograms)
- b) Intact male calves of any dairy breed or dairy crossbreed, each weighing no more than 450 pounds (204.1 kilograms)
- c) Calves of any breed, each weighing no more than 769 pounds (348.8 kilograms), that are to be sold for slaughter at an auction or through a livestock dealer
- d) Calves of any breed that are sold for slaughter to a processor to be processed into a veal carcass within the meaning of section 304 the Safe Foods for Canadians Regulations (Canada).

What is the amount of licence fee/check-off we need to collect on the sale of veal cattle?

- \$5.50/head and is to be remitted to VFO.
- Licence fees for ALL male and freemartin female dairy breed or dairy crossbreed calves (bob) will be directed to VFO (regardless of how they were sold). It does not matter if they go into a veal or beef program, all bob calf licence fees are remitted to VFO.
 - Please do not send any licence fees on bob calves to Beef Farmers of Ontario (BFO). ALL bob calves are to be remitted directly to VFO including bob calves originating in Quebec but were sold in Ontario.
- Licence fees for ALL veal cattle regardless of breed sold by veal producers direct to slaughter will be directed to VFO, regardless if they grade as veal or not (this includes both milk-fed and grain-fed veal). This also includes all veal processed as custom kill or for the freezer trade.

Who do I send my licence fees (check-off) to?

Veal licence fees (check-off) will be sent to:

Veal Farmers of Ontario
130 Malcolm Road, Unit 2, Guelph, Ontario, N1K 1B1

Where do I obtain the check-off remittance forms?

Check-off remittance forms for veal can be found on VFO’s website at www.vealfarmers.ca

You will need to complete both Form 4 and Form 5 every time when remitting licence fees.

What information do I need to send with the check-off remittance?

As part of the VFO’s regulations, you are required to remit producer data (name, full address, class of veal cattle) that corresponds to each seller of veal cattle. This information is collected on *Form 5 List of Veal Cattle Sellers Information Report*. Form 5 must be completed and submitted each time. If you have challenges in collecting this information, please contact the VFO office to discuss.

Do I get a reporting commission for completing the paperwork and remitting on time?

Yes. VFO has implemented a 2.5% reporting commission. The total reporting commission is determined by calculating 2.5% of the total gross licence fee before HST.

I buy bob calves from several local farms. What do I need to do?

If you purchase bob calves directly from another farmer (e.g. Dairy farmer) this is called a “private treaty” sale. The \$5.50/head must still be deducted from these calves. It is the responsibility of both the buyer and the seller to ensure that licence fees are deducted and remitted to VFO. That does not mean that the calves are paid on twice, but that both the buyer and the seller have the equal responsibility so it will be important that you determine which one of you will remit. As the buyer, and the farmer who is finishing the veal cattle, you may decide to remit on behalf of your calf suppliers. You would deduct the \$5.50/head VFO licence fee from your purchase price and remit the sellers information on Form 5 since you are remitting it on their behalf. This is a similar process to what was required under the *Beef Cattle Marketing Act* (BCMA) when the funds were remitted to the BFO, however, now the funds will come directly to VFO and used to support veal cattle priorities.

Why do I need to complete Form 5 for bob calves purchased private treaty from dairy farmers?

Essentially, you are remitting the \$5.50/head on behalf of the farmer from whom you purchased the calves. Therefore, these farmers are also members of VFO and are entitled to receive all the same communications, benefits, and information about the VFO.

I buy bob calves from a sales barn. What do I need to do?

The sales barn will have deducted the \$5.50/head licence fee on behalf of the seller; therefore, you are not required to do anything more on this transaction.

I buy bob calves as a dealer but some of the calves are going into a beef program. Do I still pay VFO?

Yes. Regardless of whether the bob calves are being put into a veal or beef program, VFO licence fees are to be remitted on all bob calves as per the regulation.

I buy bob calves in Ontario and some of them are sent to Quebec. Do I still owe VFO licence fees?

Yes. Because you have bought and assembled the calves in Ontario, the VFO licence fees are still owed regardless of where the calves are being shipped to.

Purchasing out of province veal cattle and selling them in Ontario, where do I remit the licence fees?

The licence fees are to be paid and remitted to VFO for the province they are sold in (Ontario) and at the rate of the province the calves were born in. For example, if a calf was born in Quebec and sold in Ontario the licence fees will be remitted to VFO at the Quebec provincial rate. This applies to all provinces selling veal cattle which includes, bob calves, preconditioned/started calves, and marketed/finished veal. VFO will remit the provincial levies to the Canadian Beef Check-Off Agency for distribution. These calves are **not** eligible for the Seven Day Dealer exemption.

Quebec licence fees

Effective **January 1, 2023**, for bob calves/male dairy calves from Quebec sellers, the rate is now **\$5.50**.

Nova Scotia, New Brunswick, and Prince Edward Island licence fees

The provincial levy rate for veal cattle which includes, bob calves, preconditioned/started calves, and marketed/finished veal is **\$6.00**.

I sell finished veal cattle through the sales barn, where do my licence fees go?

Veal cattle sold on a live weight (up to 769 pounds) in a sales barn, auction market or by a livestock dealer are now remitted to VFO.

I sell finished veal directly to a packer/processor. What do I need to do?

Your packer/processor will be responsible for deducting the \$5.50/head on all veal cattle that they purchase from you and remit to the VFO on your behalf.

I sell my finished cattle to a Quebec packer. Do I need to remit?

All veal cattle raised in Ontario and sold out of province are still required to remit licence fees to VFO.

I sell pre-conditioned/started calves. What do I need to do?

Licence fees are to be remitted to VFO for the sale of all intact pre-conditioned/started male dairy calves and freemartin females up to 450lbs.

I do not buy enough calves every month to remit every month. Are there other options?

Yes. VFO staff will work with you to determine the most effective reporting period based on your volume. It is possible to remit quarterly. Please contact VFO office to discuss.

Is there an exemption on 'custom slaughter'?

No, there is no exemption. Licence fees are due on veal cattle that may also be processed on a custom basis, including veal processed for the freezer trade.

Can the Veal Farmers of Ontario process payment electronically?

Yes, VFO is able to accept electronic transfers. Please contact the VFO office to set up. This is our preferred method of payment.

Is there a Seven Day Dealer Exemption on the sale of bob calves?

Yes. There is an exemption that applies to a licenced livestock dealer who sells veal cattle within seven business days of having purchased them provided the cattle are purchased and sold in Ontario. The livestock dealer may apply to the VFO for a rebate with proper documentation including a completed Form 6. This exemption mirrors what is already provided by BFO under the BCMA.

Are licenced dealers required to remit licence fees to the Financial Protection Board?

Yes. There is a 10 cent per head fee payable directly to the Livestock Financial Protection Board where cattle are purchased from a producer or country dealer.

Will HST be charged on the veal check-off?

Yes. VFO Licence fees are subject to 13% HST.

How do I become a licenced dealer?

If you wish to become a licenced dealer, contact Agricornp, contact@agricorp.com or 1-888-247-4999.

Does VFO have a Privacy Policy?

Yes. VFO maintains a very strict privacy policy that is designed to protect personal information collected under regulations. Membership lists are not shared with anyone including board members, private companies, etc. and are used solely for the purposes of conducting business of the organization.

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