

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



Phil Kroesbergen



On behalf of Veal Farmers of Ontario (VFO), I am pleased to present the 2023 Annual Report. It has been a year since I moved up to the role of Chair and I am proud of the work VFO has completed on behalf of our members. It has been a year of learning and leadership as I embraced the challenges of working full-time on my family's farm while also contributing to the important work that VFO addresses on behalf of all of us.

This past year, the board focused its efforts on our Strategic Plan and what the next five years might look like for both the organization and our sector. Looking into the future and developing organizational strategies is not as easy as it sounds, especially right now with all the changes we are experiencing in the cattle sector as a whole. There are larger forces impacting the cattle sector that VFO cannot possibly control – low overall beef herd inventory, weather, increased cost of production, changing breeding strategies on the dairy farm, global protein demand, and more. There is no doubt the veal sector is in a period

of change. During the strategic planning process, the board analyzed the sector's challenges and opportunities and narrowed down to a number of key areas and objectives where VFO can amplify the opportunities and minimize the challenges.

One of the most important strategic directions for VFO is collaboration. We are fortunate to have such good working relationships with commodity and farm organizations, industry partners, government, and academia. Effective collaboration ensures that all partners are able to do more together and leverage opportunities that benefit our members. Thank you to each of our partners for your diligent and open collaborations over the past year.

Another important strategic direction for VFO is communication. VFO offers a number of ways and tools to stay connected and on top of important industry issues. With a focus on both the dairy calf as well as the finished veal cattle, and everything in between, VFO strives to have a

number of communication channels, tools, and resources to help all our members succeed.

One of the most important tools you can utilize as a veal farmer is the Veal Risk Management Program (RMP). The Veal RMP program is one of the few business risk management tools available built specifically for veal farmers. It has always been and will remain a high priority for VFO to maintain and sustain this important program. With everyone experiencing increased costs of production year over year for the past few years, we are seeing the impact that this program has to ensure veal producers have the backstop to sustain their businesses while also being able to look for growth opportunities. VFO continues to work collaboratively with our colleagues at the Ontario Ministry of Agriculture, Food and Rural Affairs and Agricorp to manage this important program and ensure it is funded for when you need it most.

With increased cattle pricing and increased cost of production, we

know that farmers are still taking on a lot of risk so that is why VFO continues to partner with our Ontario Agriculture Sustainability Coalition (OASC) partners to lobby for additional funds into the RMP program. Farmers want to produce high quality food for Ontario and the world. Therefore, the risks that are out of our control need to be shared and that is why additional funding into the program moving forward is so important.

I would like to take a moment and acknowledge the passing of VFO Director Sid Atkinson in December 2023. Sid served on the VFO Board of Directors for almost three years and in that time passionately contributed to the discussions and deliberations as part of our board meetings. Sid gave a lot of his time and insights to various Ontario agricultural groups over the years and he was a firm believer in the importance of the next generation of farm organization leaders being supported. We have all learned from Sid and it was clear how much he loved his family and life

on the farm. Our deepest sympathies to Karen and his family on the loss of someone so special.

An important factor to provide value to members is ensuring fiscal responsibility. Coming out of the pandemic, VFO was able to achieve greater efficiencies with our workflow by analyzing the needs of the organization and looking at the future needs as well. For example, the board no longer has as many in-person meetings with most being online, and as a result we did not need as much office space or resources. With the downsizing of our office space this past year, VFO has invested in the future of the organization by building efficiencies in our work and partnering with our livestock sector partners with new shared office space.

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. Their expertise, knowledge, and passion are the foundation of all our work as an organization.

Thank you to my fellow Board members for all your contributions, discussions, and support over the past year. Together, we are all dedicated to working for the betterment of the dairy calf and veal cattle sector and I am looking forward to the year ahead. It has been a privilege to serve as Chair for Veal Farmers of Ontario and I hope that as you read this Annual Report you will see the expertise and value we bring to all our members.

Message from the Executive Director



Jennifer Haley



It isn't until you take time to reflect on the year past that you have the full wide lens to see the breadth and depth of all the work that has been completed by Veal Farmers of Ontario (VFO) on behalf of its members. As you review this Annual Report, I hope you will see the many different projects, initiatives, and issues that VFO has worked on over the course of 2023 that reflect VFO's leadership and steadfast commitment to the dairy calf and veal sector.

Updating the VFO Strategic Plan was the priority focus for this past year. It is always interesting to look down the road at what might be in store for the veal and dairy calf sector and develop strategic objectives for the organization to focus its work. It is also not as easy as it sounds either as not everything is predictable with the industry being in a constant state of change, which means VFO must remain nimble to be able to adapt where needed and yet focused on the overall organization goals. The board and staff worked hard on the new 2024 to 2028 VFO Strategic Plan and I am proud of both VFO's determined outlook and resiliency that will benefit the sector moving forward.

Part of VFO's responsibilities as a regulated marketing board is to

ensure effective and equal enforcement of our regulations which includes the collection of licence fees. VFO has partnered with the Canadian Beef Check-Off Agency to enhance our licence fee education, enforcement, and compliance initiatives. This past year, this partnership has been very effective and has resulted in a more robust and consistent licence fee remittance schedule with industry partners. As well, in connection with the licence fees, another one of VFO's responsibilities is ensuring VFO has an accurate and current membership database of all producers who have remitted licence fees on veal cattle or have had licence fees remitted on their behalf. Staff have revamped the database to be more user-friendly, efficient, and responsive to the needs of the organization. Work will continue into 2024 as we collaborate with industry partners on remitting information electronically and ensure VFO's regulations are maintained.

Collaboration with industry partners is a pillar of VFO's organizational outlook. VFO believes firmly that together we can all do more, have a stronger voice, and use our resources wisely. Most times, advocacy is a long game that takes time and a consis-

tent approach. As part of the Ontario Agriculture Sustainability Coalition (OASC), VFO works with our partners to lobby for additional funds to the Risk Management Program to ensure farmers have the protection they need to manage risks beyond their control in order to grow and raise food for Ontario and the world. Through the Canadian Veal Association, VFO is able to have a voice on federal issues impacting our sector. Partnering with Farm and Food Care Ontario, we were able to reach a different audience of food influencers and dietitians to help dispel the myths about veal production. With the support of other industry partners, we are at the table when important issues are being discussed to ensure the veal voice is heard.

Post-pandemic, we have all learned to work and connect differently. The board continues to effectively utilize online meeting platforms for the bulk of its board meetings throughout the year. Not only has this approach helped each of the board members maintain a farm-work-family balance with the commitments of also being an active and engaged board member, but it has reduced travel time to and from the farm or the need to take time off work from the off-farm

job to be able to attend meetings. All of this combined results in savings in board meeting expenses that can go back into projects and initiatives for the industry.

VFO staff have continued to work on a hybrid model with both in-person and online formats. This has worked out very well in terms of efficiency, time management and overall productivity. However, with the board and staff no longer coming together in-person the same as they did before the pandemic, the office space and boardroom were not being fully utilized. After careful consideration and analysis, VFO took the necessary steps to downsize its office overhead commitments this past June. This downsizing will have a significant impact on VFO's budget which in turn will allow VFO to explore projects that support the veal and dairy calf sectors on behalf of our members.

As part of the office downsizing, VFO was able to secure smaller office space with our partners at Beef Farmers of Ontario (BFO). Together with BFO, we also share space with Ontario Sheep Farmers and Meat and Poultry Ontario, and it is a natural incubator for industry collaborations on the many common issues we all face and provides opportunities to

align on joint projects. While it was a lot of work to downsize and move, it is also a time for a new approach and a fresh outlook. With the move complete, VFO has now strategically reduced expenses which resulted in a budget surplus this past year. VFO's financial position and resiliency remain strong with good financial management and fiscal oversight.

Governance is another important pillar for VFO, and the board continued to work collaboratively with the Ontario Farm Products Marketing Commission (the Commission). This past year, VFO had its biennial review with Commission members, and this was an opportunity to share the overall performance of the organization on behalf of our members. Part of the VFO review process was the submission of a comprehensive review of the board and its regulations.

As we move into 2024, the year ahead promises to be another exciting year for VFO with a number of projects and initiatives already in the works. However, we continue to face the uncertainty of ensuring there is a consistent supply of calves. Demand for dairy and dairy cross calves has never been greater and yet we continue to short the market with finished veal cattle. As a result of the short

supply of veal meat, we will continue to see increased volumes of imported veal to meet consumer demand. While the sector is poised and ready for growth, we need to address calf supply that is both affordable and sustainable for the veal sector.

It continues to be a privilege to serve VFO's members and to provide a steady and consistent approach to the many challenges and opportunities of the industry. A special thank you to both VFO Chair Phil Kroesbergen and Vice Chair Dylan Yantzi who completed their first year in their respective positions and embraced their new roles on behalf of our sector. Thank you to our dedicated staff who continue to 'punch above their weight' with their expertise and commitment and to the board for their continued guidance and leadership.

PROUDLY SERVING ONTARIO'S VEAL FARMERS

Veal Farmers of Ontario (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 veal and dairy calf 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 key opportunities for our sector.

The business of VFO is handled by a board of directors comprised of eight veal and/or 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 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.

Board of Directors 2023



Phil Kroesbergen,
Chair



Dylan Yantzi,
Vice Chair



Sid Atkinson



Judy Dirksen



Aaron Keunen



Kurtis Moesker



Kyle Roes

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 dedication 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



2023 Highlights

Production & Standards

Animal care is a top priority for Veal Farmers of Ontario (VFO). 2023 saw the continuation of several research projects and provided opportunities to engage with farm management team members to ensure all veal cattle consistently receive the highest quality of care.



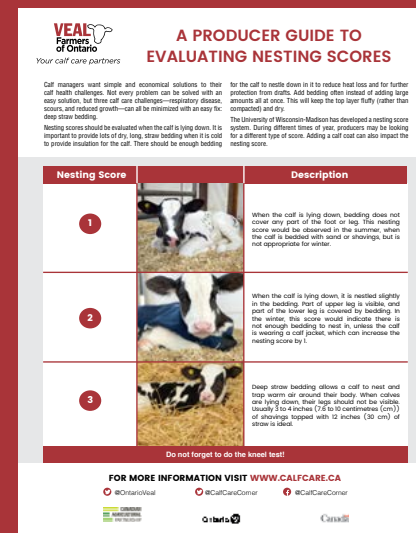
Building on the success of the Ask the Expert Virtual Speaker Series, VFO held the final session in our virtual evening workshop series for grain-fed veal producers in winter 2023, covering cost of production.

Kendra Keels, VFO's Industry Development Director, joined members of the Ontario Association of Bovine Practitioners in January for a combination of virtual and in-person meetings across the province. She helped dispel myths about veal production, explained veal production issues, and highlighted industry challenges and opportunities. Keels also shared the work VFO does to support calf care and provided each attendee with a package of resources to assist their veal and dairy producer clients.



L to R: Dr. Gabriel Jantzi, Ontario Association of Bovine Practitioners; Kendra Keels, VFO Industry Development Director.

In response to requests, VFO added a new educational handout to our collection of laminated resources, “A producer guide to evaluating nesting scores.” It was launched at Canada’s Outdoor Farm Show in September.



RESEARCH PROJECTS

The *Evaluating the health and growth impact of transport on male dairy calves* project by the University of Guelph's Dr. Dave Renaud was completed in 2023. This project evaluated 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. VFO supported 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. Research results support what the veal industry has been asking for a long time; older calves leaving the dairy farm.

The *optimization of purebred and crossbred dairy calf performance, health and welfare* project at the University of Guelph with Drs. Michael Steele and Dave Renaud, and supported by VFO, is well underway. The goal of this 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 also supported a Dairy Research Chair together with Dairy Farmers of Ontario. The *Sustainable health management for dairy cattle in Canada* project, led by Drs. Dave Kelton, Stephen LeBlanc, and Dave Renaud from the University of Guelph, is advancing well. The themes 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.



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 dairy calf and veal industry. 2023 saw VFO continue to work closely with several key industry groups, including the Canadian Veal Association (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.

Maintaining and supporting business risk management (BRM) programs for producers is one of VFO's strategic directions. The Veal RMP Reference Committee meets regularly with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and Agricorp to review the program and the costs of production. VFO, together with our OASC partners, continues to work with the Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs and her team to bring improvements to the RMP program, including an additional investment of \$100 million to ensure the program is sustainable and will be able to support the next generation of farmers coming into the sector. Producing food and ensuring Ontario's food supply is a huge responsibility and it is important that farmers today and those of tomorrow have risk management programs in place to address uncertainties the sector faces.

VFO submitted a letter to the province's consultations for budget 2023. 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.

The Government of Ontario updated the reference tables in the *Nutrient Management Act* to better reflect current livestock production practices. Ahead of the update, VFO sent a letter to OMAFRA expressing the long-standing concern with the proposed changes to the housing capacity area allocated per animal which contains an incorrect reference to the housing space requirements in the *Code of Practice for the Care and Handling of Veal Cattle* (the Code). The Code provides outcome-based housing requirements and does not list a specific numerical spacing requirement as the rationale for the updates suggests.

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 but sent a letter outlining our concern that the LFPB must also address other longstanding issues to strengthen the program, including enforcement and compliance, program administration, and improved accountability.

VFO partnered with a number of organizations signing onto the Ontario Federation of Agriculture’s joint statement regarding the proposed Provincial Planning Statement and Bill 97, *Helping Homebuyers, Protecting Tenants Act*. VFO stands together with our partners as stewards of our farmland, in order to preserve and protect our farmland, water resources, and

rural communities for generations to come.

VFO has been engaged with our industry partners to address lack of access to veterinary care and was pleased to participate in consultations for the *Veterinarians Act* and see continued investment in programs throughout the year. 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. VFO submitted comments about the proposed amendments for the *Veterinarians Act* outlining the need to ensure livestock farmers have the ability to continue treating animals using practices that may also be done by a veterinarian or a veterinary technician. Veal farmers, like our livestock sector partners, work closely with our herd veterinarians and as a result provide important animal health care for our livestock. The health and well-being of our animals is always a top priority.

VFO continues to work on the *Provincial Animal Welfare Services Act*, 2019 (PAWS Act), most recently commenting on Bill 102, *Strengthening Safety and Modernizing Justice Act*, 2023. VFO was supportive of the proposed amendments which outline the process and procedures that are to take place when animals are in distress, when there is an active investigation taking place, and for the follow-up required. VFO stressed the importance of collaborative working relationships amongst all parties to ensure successful outcomes for all involved. VFO is supportive of continuous improvement of the PAWS program.

The *Security from Trespass and Protecting Food Safety Act* protects Ontario’s food supply chain, from farm to table, without infringing on the right to peacefully protest. VFO has been a strong supporter of this legislation since it was first introduced and continued to stand behind it during the constitutional challenge by special interest groups. VFO will continue working on this priority issue to protect our livestock, our farms, and our families.

VFO has been collaborating with Meat and Poultry Ontario 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 deadstock removal options, emergency preparedness, traceability, 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.



L to R: Jennifer Haley, VFO Executive Director; Kendra Keels, VFO Industry Development Director; the Honourable Lisa Thompson, Ontario Minister of Agriculture, Food and Rural Affairs.

Industry relationships

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

Agricorp	Foodland Ontario	Ontario Livestock Auction Markets Association
Agricultural Adaptation Council	Les producteurs de bovins du Quebec	Ontario Livestock Dealers Association
AgScape	Livestock Research Innovation Council	Ontario Livestock & Poultry Council
Beef Farmers of Ontario	Meat & Poultry Ontario	Ontario Livestock Transporters’ Alliance
Canadian Animal Health Institute	National Farm Animal Care Council	Ontario Ministry of Agriculture, Food & Rural Affairs
Canadian Cattle Association	Ontario Agricultural Commodity Council	Ontario Pork
Canada Beef	Ontario Agriculture Sustainability Coalition	Ontario Sheep Farmers
Canadian Beef Check-Off Agency	Ontario Animal Health Network	President’s Council
Canadian Meat Council	Ontario Association of Bovine Practitioners	Toronto Stockyards Land Development Board
Canadian Veal Association	Ontario Beef Cattle Financial Protection Program	
Christian Farmers Federation of Ontario		
Dairy Farmers of Ontario		
Farm & Food Care Ontario	Ontario Federation of Agriculture	

VFO was pleased to participate in the second annual Grow Ontario Food Summit hosted by Minister Thompson, alongside her Parliamentary Assistants Member of Provincial Parliament (MPP) Trevor Jones and MPP Rob Flack at the end of March. The Summit was an excellent opportunity to discuss ideas and collaborate on strategies that will strengthen the agrifood supply chain, increase agri-food technology and adoption, and attract and grow Ontario’s agri-food talent.

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.

VFO was represented at a roundtable with Minister MacAulay hosted by the Ontario Federation of Agriculture at Canada’s Outdoor Farm Show in September. With Minister MacAulay coming back into the portfolio as the federal Minister of Agriculture, the roundtable was a good opportunity to remind the Minister of the many different commodities produced in Ontario, the unique challenges Ontario’s farmers face, as well as some of the common issues all Canadian agriculture will need to address to succeed in the future. 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.



L to R Julie Mortenson, Youth Member; Mike Guest, Member at Large; Jeff Cline, CMC; Jack Chaffe, BFO; Russ Mallard, CMC; Steve Christie, Retail/Foodservice; Andre Forget, CMC; Chad Ross, SCA; Clay Holmes, Member at Large; Cam Daniels, Member at Large; Jennifer Haley, VFO. Missing: John Curtis, CMC; Coral Manastersky, IE Canada; Jim Clark, Member at Large.



Among the strategic objectives of VFO are to advocate for the veal sector 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 regularly, the Veal Trade Tracker gives producers a straightforward picture of the state of veal trade and the impacts that changing trade conditions may have on their operation.



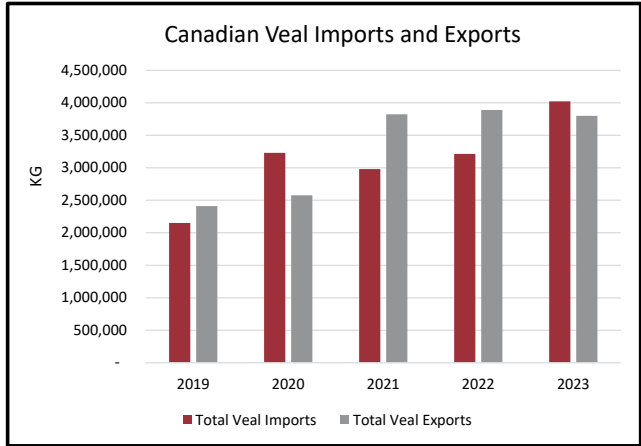
The Canadian Veal Association (CVA) is the national voice of Canada’s veal farmers, collaborating with industry partners to achieve common goals for the veal sector. The CVA is administered by Veal Farmers of Ontario, and producers and staff members from both Ontario and Quebec are represented.



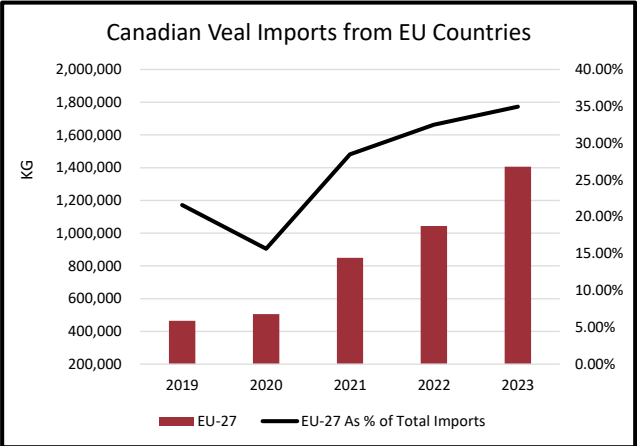
Veal Trade Tracker

A yearly snapshot of Canada’s veal trade

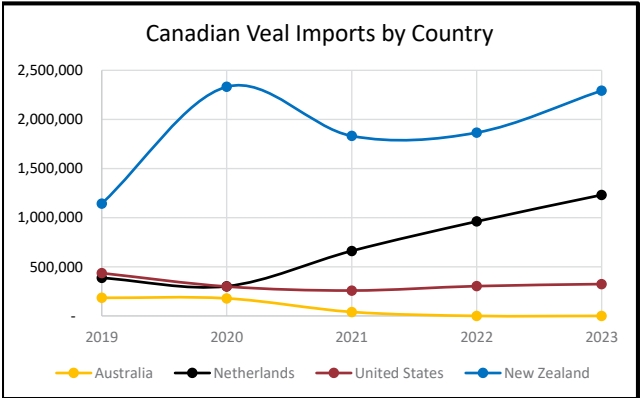
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In 2023, Canadian veal imports exceeded exports. The majority of the Exports are to the United States.



The volume of veal imports from the EU (red) represents represents close to 35% of all imports. The Netherlands is the predominant supplier of European imports. There has been a significant increase of veal imports over 2022, and even greater since 2021.



New Zealand is Canada’s largest supplier of imported veal, primarily trim, followed by the Netherlands with a significant increase over 2022. Imports from the USA have been holding steady. No Australian imports have been reported for 2022 or 2023.



Veal exports have declined this year to all countries, likely due to the lack of supply in Canada and the high veal prices.

The CVA has the following strategic objectives that help guide the work of the organization and determining how issues will be addressed both at the provincial and federal level:

- Advocate for the Canadian veal industry on issues at the national/ federal level that will also support provincial goals and outcomes.
- Represent the Canadian veal industry at national meetings, committees, and events to ensure the veal voice is heard.
- Provide leadership and advocacy for the Canadian veal sector on issues impacting veal production.
- Support and advocate on issues that will ensure a sustainable and consistent supply of quality calves.
- Monitor and advocate for the Canadian veal sector regarding international trade agreements.
- To facilitate communications and exchange of information regarding research projects, priorities, and funding opportunities whether funded provincially or nationally.
- Facilitate industry partners looking to access government funding to promote the Canadian veal sector.

2023 HIGHLIGHTS

The CVA worked with industry partners to address new hours of service regulations that will impact the humane and safe transportation of live animals when unforeseeable delays cause drivers to go over duty hours. The CVA signed a joint letter to the Minister of Transport requesting exemptions to livestock truckers’ on-duty time to safeguard the welfare of livestock being transported.

The CVA signed a letter to the Minister of Agriculture and Agri-Food requesting that the Canadian Food Inspection Agency (CFIA) publish the proposed regulatory amendments surrounding livestock traceability in the *Canada Gazette I* without further delay. These amendments would move towards finalizing the livestock component of the National Agriculture and Food Traceability System (NAFTS).

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. A recent decision by Health Canada cancelled the use of this product for feed.

The CVA was a member of the Dairy

Code Review Committee to ensure some alignment between the veal and dairy codes with respect to calves. After much work, the updated *Code of Practice for the Care and Handling of Dairy Cattle* was published in March 2023 and will come into effect on April 1, 2024.

The CVA collaborated with Health Canada to seek clarification on the use of dexamethasone in calves. There is a new proposed maximum residue limit for cattle, and it will include calves being processed for veal. For more information on the use of dexamethasone, consult your herd veterinarian.

The United States Department of Agriculture (USDA) introduced a ‘voluntary’ country of origin labeling proposal and the CVA, along with other industry partners, opposed the proposal which would allow the labeling of single ingredient meat, poultry, and egg products “Product of the USA” or “Made in the USA” and that requires that an animal be born, raised, and harvested in the US. The CVA, along with our partners, will continue to advocate for reduced trade barriers and minimal disruptions to the integrated North American veal and red meat supply chain.

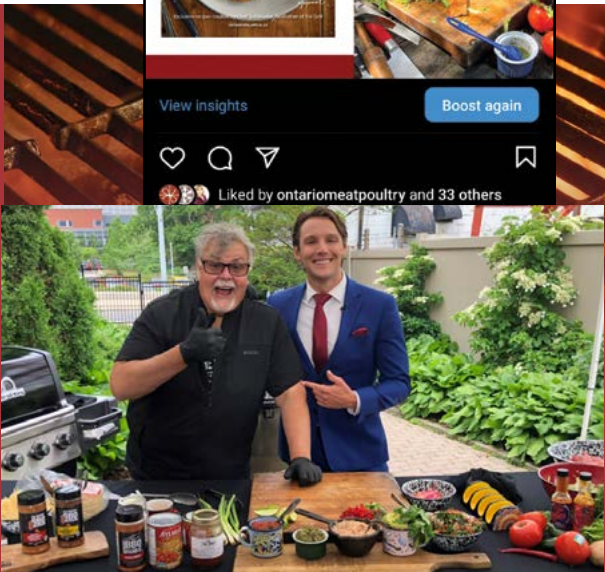


Marketing & Promotions

VFO’s consumer marketing strategy strives for a balance of encouraging consumers to order veal at the restaurant 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 “Vealing Delicious!” e-newsletter arrives bi-weekly in over 2700 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 consumer-focused website is a resource for all things veal with recipes, photos, cooking information, instructional videos, and more. For additional meal inspiration, we’ve added a variety of new recipes with professional photography to our recipe library, along with videos with simple step-by-step cooking instructions, all with the lens that Ontario veal is a delicious, lean, nutrient-packed protein.

A key strategic direction for VFO has been to build awareness for Ontario veal on the grill and in the smoker. VFO expanded its longstanding partnership with Chef Ted Reader, ‘Godfather of the Grill’. Charged with producing a series of recipes that appeal to both novice and intermediate grillers while featuring a variety of readily available cuts, Chef Reader produced eight of his trademark “tasty” recipes. VFO also worked with Chef Reader to create several “Veal 101” cooking tip videos that have been shared across all our social channels as well as Chef Reader’s. VFO also showcased Chef Reader’s newly created recipes in a free ebook that was launched in early June and promoted throughout the summer months on VFO’s consumer channels.



The Ontario Veal Appeal social media accounts continue to be excellent avenues of connecting with consumers. Ontario veal is promoted on all the mainstream social media channels – Facebook, Instagram, YouTube, Pinterest, and X. Through our various channels, we continue to engage and build relationships with our stakeholders and followers by providing content focused on recipe and meal inspirations. Ontario Veal Appeal is also on Tik Tok, uploading recipe videos and reels to help reach a wider audience of veal consumers on this popular platform. Inspiring veal-eating occasions, sharing recipes from influencers, and providing recipe instruction – our reels have proven very popular.

For Ramadan and Eid, VFO collaborated with Fariha Ekra (@lifewithfarihaa), a micro influencer with a large South Asian following. Her content reaches and encourages veal consumption, especially within the Halal market. Working with Fariha offered us the opportunity to increase and add diverse content to our recipe library for usage in our consumer e-newsletters and our social channels.



- @OntarioVealAppeal
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- @ontariovealappeal
- @ontvealappeal
- ontariovealappeal.ca



The goal of the Ontario Veal Appeal holiday campaign was to inspire consumers to include Ontario Veal in their holiday celebrations with a number of different menu suggestions and cuts, from appetizer to main course. VFO looks to reach consumers by partnering with key social media influencers to develop veal-specific recipes and content with posts, stories, and reels. This holiday season VFO partnered with Chef Jason (@culinarypickpocket), Fariha Ekra and Irene Matys (@irene_matys) to leverage the followers of content creators to talk to new audiences who are ‘foodies’ looking for new recipes to try. This extends our reach across a number of channels and platforms and adds a third-party endorsement to the Ontario Veal Appeal brand with consumers.

Print ads in LCBO’s *Food & Drink*

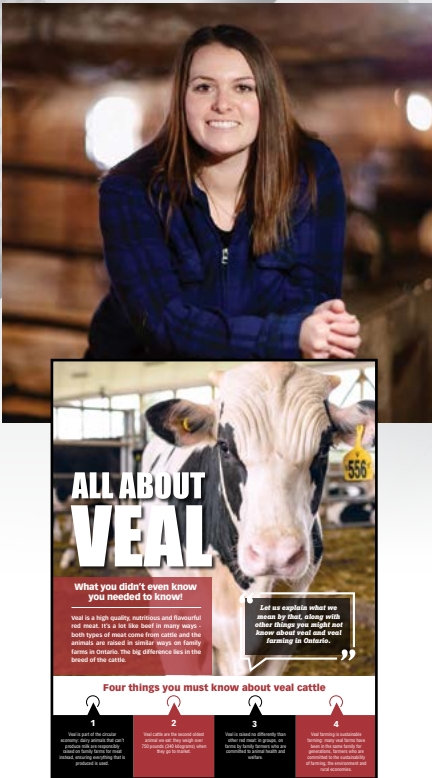
magazine continue to provide a strong return on investment, with full-page advertisements secured in both the early summer issue (at the onset of grilling season) and in the coveted holiday edition. The holiday campaign also featured a print ad in *Canada Food & Drink Magazine*, along with a series of digital ads on various highway billboards along the Gardiner Expressway in Toronto.

Ontario Veal Appeal partnered with *Foodism* magazine with an advertisement featuring the Pancetta Wrapped Veal Tenderloin as well as editorial information about how to put Ontario Veal at the centre of your dinner-planning menus with recipe suggestions and cooking information. This promotion also included an online presence with the *Foodism* website and Ontario Veal Appeal was included in their targeted monthly e-newsletter.



VFO has several different programs that help to build public trust with consumers 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 on the Farm program. VFO provided copies of our “All About Veal” brochure and culinary guides for inclusion in the swag bags of attendees going to the Huron County, Napanee and Chatham

events to help consumers learn the facts about veal production. Maranda Klaver, an Ontario veal farmer and then-reigning Ontario Queen of the Furrow, and her dog Darla were profiled for the *Faces Behind Food* project with stories focusing on their family’s commitment to agriculture and their community. Their stories were shared on Instagram and Facebook in mid-April. The profiles received great feedback and positive comments, providing another opportunity to highlight our Ontario veal farm families.



On February 15, VFO celebrated Canada’s Agriculture Day, using the opportunity to thank each member of the agri-food supply chain that works hard to ensure Canadian plates remain full of local, nutritious food, share our FarmFood360° virtual reality tour, and celebrate our pride in veal farming using the hashtag #CdnAgDay.

Local Food Week celebrates the bounty of fresh, healthy food grown, produced, and processed right here in Ontario. Ontario Veal Appeal collaborated on a media tour with several of our commodity group partners throughout the month of June for the #30DaysofLocal campaign. Recipe demonstrations with Chef and Home Economist Emily Richards featuring five-ingredient dishes with Ontario Veal and other locally grown favourites were broadcast on TV stations across the province. ‘Godfather of the Grill’ Chef Ted Reader grilled up Ontario Veal burgers on CTV Kitchener and Chef Raquel Fox from Island Gurl Foods created crowd-pleasing recipes for Father’s Day on Toronto’s Global News Morning. 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 Meat and 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.



VFO was pleased to sponsor FFCO’s educational bus tour for 20 media/food influencers from Toronto. Jennifer Haley, VFO Executive Director, accompanied the bus tour which showcased the University of Guelph’s dairy, beef and soil research stations. Haley delivered a “Veal 101” presentation that covered everything from animal care to cuts, cooking methods and more. Grain-fed veal tenderloin with cranberry stuffing received rave reviews as part of an autumnal-themed lunch. Attendees also received a copy of the “All About Veal” brochure, the newest veal recipe book from thinkveal.ca and Ontario Veal Appeal swag.



Jennifer Haley discusses tips for cooking veal with food influencers.



Food influencers enjoyed an exquisite stuffed herb and craisin veal tenderloin on the September 20 food influencer tour.



Food influencers spent the day on-farm at the University of Guelph’s Elora research stations – touring the dairy research barns, beef research barns and soil health facilities.

VFO was pleased to sponsor FFCO’s educational bus tour for 30 Registered Dietitians and dietetic interns during the 25th annual Ontario Agriculture Week, with the goal of furthering knowledge of how Ontario Veal is raised and branding our sector as a healthy and accessible protein option. Jennifer Haley, VFO Executive Director, accompanied the bus tour to Thunder Ridge Bison and Wilmot Orchards. Haley engaged with the group throughout the day, discussing production practices on the bus and highlighting veal’s special attributes during the meal. Stewed veal served with coconut rice received rave reviews as part of the lunch menu inspired by the Seasonal Agricultural Workers joining in the festivities. Partnering with FFCO is a great way to reach a larger audience of consumers eager to learn more about where their food comes from and celebrate Ontario Agriculture Week.



Jennifer Haley spoke to the group after lunch highlighting veal cuts, nutrition, cooking methods and sourcing product across Ontario.



Ontario Agriculture Week happens each year beginning on the Monday before Thanksgiving Day. It’s a time to recognize and acknowledge the ongoing contribution Ontario farmers make to the agriculture and food supply chain, which is an important part of the province’s economy.



Operations

It has been a successful year for VFO with the completion of our revised and updated Strategic Plan. VFO developed the strategic plan with a focus squarely on the needs of the dairy calf and veal cattle sectors as we move into the next five-year period of 2024 to 2028; it is a starting point from which the board and staff evaluate priorities and opportunities that will benefit and support our members.

With the changes to our workflow at VFO, and as a result of changes we have made using technology and our meeting time, VFO made the decision to downsize our office space. Our offices are now located in the Beef Farmers of Ontario building where we share space with Ontario Sheep Farmers and Meat and Poultry Ontario. As we move into 2024, the cost savings from reduced overhead and improved efficiencies will allow VFO to reinvest into projects and initiatives that will support our sector and enhance opportunities for collaboration with our industry partners.

2023 also saw strengthening of VFO's licence fee inspection and compliance program as part of VFO's strategic approach to effective and equal application of its regulations for all industry stakeholders.

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 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 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.



In response to evolving trends within the veal sector, VFO revised and refined the Weekly Veal Market Information Report. Work also began to update the Veal Market Report app for iPhone and Android, to ensure cohesiveness between the different report styles. The new app is expected to launch early 2024.

VFO has two private Facebook groups to help foster connections between members, share timely sector updates, and provide a space for discussing production and

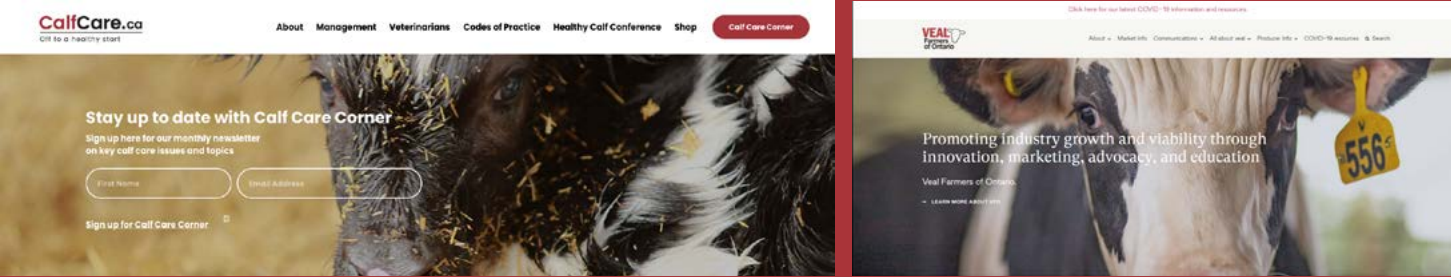
industry issues. The *Marketing of male dairy calves in Ontario* group is designed for dairy and veal producers, and for those starting calves for the dairy-beef market. The *Finishing grain-fed veal in Ontario* group is geared toward producers finishing male dairy cattle for veal markets. Both are great forums to ask questions and start important conversations.

The @OntarioVeal X 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 X, our private Facebook groups, and "The Connection e-Update", continue to provide producers with timely market information so they can make informed business decisions.

 **CalfCareCorner**
OntarioVeal

 **CalfCareCorner**

 **calfcare.ca**
vealfarmers.ca



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. The calfcare.ca website houses a portal for veterinarians to access the latest protocols and templates, which receives requests to join throughout the year.

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. Contributing calf care articles 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.



Calf Care Corner has a Facebook page and X 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 2023.

In the fall, VFO shared complimentary copies of the *Building the Foundation for Healthy Calves II* manual and additional resources with students at the University of Guelph, Ridgetown Campus and at a producer meeting in Eastern Ontario, further engaging with producers and the next generation of calf raisers.



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 continued to be released in early 2023 and can be found at vealfarmers.ca.

VFO attended the South Western Ontario Dairy Symposium and the Canadian Dairy XPO in the early part of 2023, and Canada’s Outdoor Farm Show in September, connecting with members and government representatives, discussing industry issues, promoting calf care and distributing resources. VFO encouraged producers to visit our booths, posting throughout the day and promoting our location on both the VFO and Calf Care Corner social media channels. Attendance at events alongside our industry partners continues to show our commitment to the dairy calf and veal sectors. High-quality Ontario Veal on a bun was served to attendees of the South Western Ontario Dairy Symposium as part of the “Food From our Farms” lunch, with the support of the organizers, Highland Meat Packers and VFO Director Kurtis Moesker.



VFO Vice Chair Dylan Yantzi

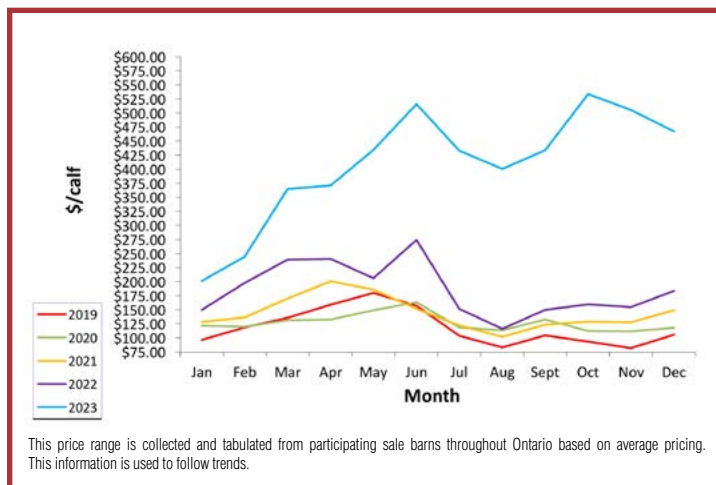




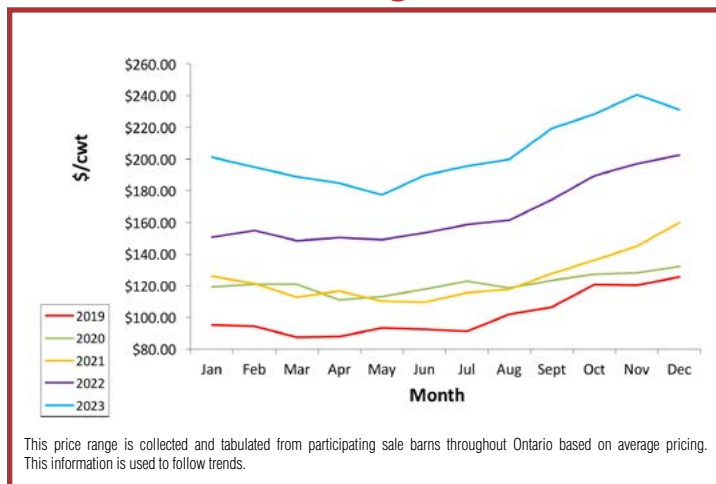
Veal Market Information

Veal market data is collected electronically from Ontario sales barns.

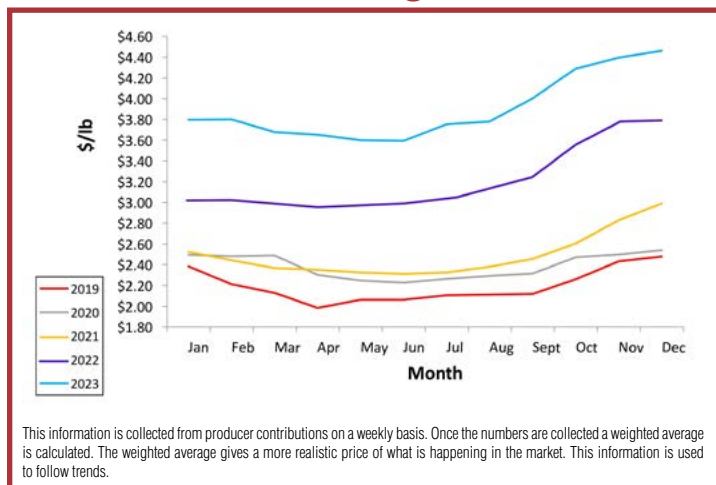
Bob Calf Pricing



Sale Barn Veal Pricing



Rail Grade Veal Pricing



VEAL Farmers of Ontario **2023**
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, 2023 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, 2023 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 14, 2024



Chartered Professional Accountants
Licensed Public Accountants

VEAL FARMERS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash (note 4)	\$ 662,302	\$ 453,994
Short term investments (note 5)	660,453	664,695
Accounts receivable	210,551	290,796
Prepaid expenses	51,327	14,860
	<u>1,584,633</u>	<u>1,424,345</u>
CAPITAL ASSETS (note 6)	<u>1,721</u>	<u>12,303</u>
	<u>\$ 1,586,354</u>	<u>\$ 1,436,648</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 209,862	\$ 207,905
Government remittances payable	1,546	3,762
Deferred sponsorship income	12,645	15,775
	<u>224,053</u>	<u>227,442</u>
NET ASSETS		
INTERNALLY RESTRICTED FUND	500,000	500,000
UNRESTRICTED FUND	<u>862,301</u>	<u>709,206</u>
NET ASSETS	<u>1,362,301</u>	<u>1,209,206</u>
	<u>\$ 1,586,354</u>	<u>\$ 1,436,648</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Internally Restricted Fund	Unrestricted Fund	Total 2023	Total 2022
NET ASSETS, beginning of year	\$ 500,000	\$ 709,206	\$ 1,209,206	\$ 1,250,075
Net excess (deficit) of revenues over expenditures for the year	<u>0</u>	<u>153,095</u>	<u>153,095</u>	<u>(40,869)</u>
NET ASSETS, end of year	<u>\$ 500,000</u>	<u>\$ 862,301</u>	<u>\$ 1,362,301</u>	<u>\$ 1,209,206</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUES		
License fees	\$ 733,172	\$ 692,467
Toronto Stock Yard distribution (note 7)	275,340	246,741
Interest	27,808	4,293
Advertising	27,230	64,505
Cost sharing recovery	10,338	10,000
Project income	4,777	54,193
Annual general meeting	1,030	500
Memberships, conferences and workshops	235	25,758
	<u>1,079,930</u>	<u>1,098,457</u>
EXPENDITURES		
Wages and benefits	454,280	478,324
Consumer education and communication	198,509	371,501
Program expenses	96,590	88,780
Director expenses	43,043	57,412
Producer communications	36,071	41,344
Office	22,504	25,090
Rent	18,272	27,033
Professional fees	15,242	8,900
Telephone	12,512	12,747
Amortization	10,582	7,530
Memberships	6,999	8,857
Repairs and maintenance	3,965	2,754
Insurance	3,721	3,607
Utilities	3,636	4,254
Interest and bank charges	909	1,193
	<u>926,835</u>	<u>1,139,326</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES for the year	<u>\$ 153,095</u>	<u>\$ (40,869)</u>

VEAL FARMERS OF ONTARIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess (deficit) of revenues over expenditures for the year	\$ 153,095	\$ (40,869)
Items not requiring an outlay of cash		
Amortization	10,582	7,530
Unrealized gain on investments	(3,047)	(1,608)
	<u>160,630</u>	<u>(34,947)</u>
Changes in non-cash working capital		
Accounts receivable	80,245	(88,082)
Prepaid expenses	(36,467)	6,387
Accounts payable and accrued liabilities	1,957	89,495
Government remittances payable	(2,216)	(12,544)
Deferred sponsorship income	(3,130)	15,775
	<u>201,019</u>	<u>(23,916)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Short term investments withdrawal (addition)	<u>7,289</u>	<u>(447)</u>
NET INCREASE (DECREASE) IN CASH	208,308	(24,363)
NET CASH, BEGINNING OF YEAR	<u>453,994</u>	<u>478,357</u>
NET CASH, END OF YEAR	<u>\$ 662,302</u>	<u>\$ 453,994</u>

VEAL FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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) 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.

(b) 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.

(c) 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.

(d) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

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.

(f) 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.

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 2023 compared to the previous period.

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

4. BANK INDEBTEDNESS

The organization has utilized \$0 (2022 - \$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 and the organization's credit card(s) with a limit of \$25,000 are secured by a GIC with principal of \$75,000 and a current carrying value of \$77,207. 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:

	2023	2022
BMO GIC, interest at 4.30% compounded annually, maturing January 2, 2024	\$ 555,317	\$ 555,317
BMO GIC, interest at prime less 3.00%, compounded annually, maturing February 13, 2024	27,929	0
BMO GIC, interest at prime less 3.00%, compounded annually, maturing February 27, 2024	77,207	0
BMO GICs, interest at prime less 2.40% compounded annually, matured February 14, 2023	0	26,497
BMO GIC, interest at 0.50% compounded annually, matured February 26, 2023	0	82,881
	<u>\$ 660,453</u>	<u>\$ 664,695</u>

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2023	Net 2022
Furniture and fixtures	\$ 1,544	\$ 1,062	\$ 482	\$ 603
Computer hardware	3,836	2,597	1,239	1,770
Leaseholds	0	0	0	9,930
	<u>\$ 5,380</u>	<u>\$ 3,659</u>	<u>\$ 1,721</u>	<u>\$ 12,303</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 equipment as well as research funding commitments. Future minimum payments are as follows:

2024	\$ 16,518
2025	15,000
2026	15,000
2027	10,000
	<u>\$ 56,518</u>



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GOLD



SILVER



BRONZE



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