



FACT SHEET: VFO Licence Fee/Check-off Questions & Answers

Definitions

The 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 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*.

Licence fees

Effective July 1, 2024, VFO licence fee/check-off will be increasing to \$7.50/head for every head of veal cattle sold as outlined in VFO’s regulated definitions.

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

- Until June 30, 2024, \$5.50/head is to be remitted to VFO. Effective July 1, 2024, \$7.50/head is to be remitted to VFO.
- Licence fees/check-off 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/check-off are remitted to VFO.
 - Please do not send any licence fees/check-off 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/check-off 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
inspection@vealfarmers.ca

Do I get a reporting commission for completing the paperwork and remitting it 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/check-off before HST.

Will HST be charged on the veal licence fee/check-off?

Yes. VFO licence fees/check-off are subject to 13% HST.

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.

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. \$5.50/head (until June 30, 2024) or \$7.50/head (effective July 1, 2024) 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 \$5.50/head (until June 30, 2024) or \$7.50/head (effective July 1, 2024) VFO licence fee/check-off 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.

Licensed dealers

How do I become a licenced dealer?

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

I buy bob calves as a licenced 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/check-off are to be remitted on all bob calves as per the regulation.

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.

Forms

Where do I obtain the licence fee/check-off remittance forms?

Licence fee/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/check-off.

What information do I need to send with the licence fee/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.

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

You are remitting the \$5.50/head (until June 30, 2024) or \$7.50/head (effective July 1, 2024) 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 am a small veal producer and purchase from the neighbour, do I need to remit monthly?

VFO will make an exception for small producers <50 male dairy calves per year. These are to be remitted by December 31. If there is reason to suspect this information is not true an inspection will be conducted.

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

The sales barn will have deducted the \$5.50/head (until June 30, 2024) or \$7.50/head (effective July 1, 2024) licence fee/check-off on behalf of the seller; therefore, you are not required to do anything more on this transaction.

Out of Province veal cattle

If I purchase out of province veal cattle and sell them in Ontario, where do I remit the licence fees/check-off?

The licence fees/check-off 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/check-off 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.

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

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

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

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

Quebec licence fees/check-off

Effective **July 1, 2024**, the rate for finished veal cattle from Quebec sellers is **\$17.75**. The rate for bob calves/male dairy calves from Quebec sellers, is **\$5.50**. Licence fees/check-off 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.

Nova Scotia, New Brunswick, and Prince Edward Island licence fees/check-off

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

Sales barn

I sell finished veal cattle through the sales barn, where do my licence fees/check-off 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.

If I purchase a finished veal at the sale barn and have it custom harvested at a licenced processing plant, will there be licence fees/check-off deducted by the processing facility?

No, when purchasing a finished veal animal at a sale barn and having it custom harvested at a licensed processing plant, there should be no additional licence fees/check-off deducted. The required licence fees/check-off are deducted at the time of sale by the sale barn and are remitted accordingly.

Direct to Packer

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 (until June 30, 2024) or \$7.50/head (effective July 1, 2024) on all veal cattle that they purchase from you and remit to the VFO on your behalf.

Is there an exemption on 'custom harvest'?

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

Pre-conditioned calves

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

Licence fees/check-off are to be remitted to VFO for the sale of **ALL** intact pre-conditioned/started male and freemartin female dairy breed or dairy crossbreed calves (bob) up to 450lbs.

Seven Day Dealer Exemption

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.

When is a Seven Day Dealer Exemption considered late?

A Seven Day Dealer Exemption is considered late when it is not submitted by the **15th** of the following month. If the Seven Day Dealer Exemption application is three months overdue the request will not be considered. If the Seven Day Dealer Exemption is submitted after **January 15** for the previous year the request will not be considered.

Are Quebec purchased and/or sold veal cattle eligible for Seven Day Dealer Exemptions?

Veal cattle remitted by sale barns on behalf of Quebec producers are ineligible for the Seven Day Dealer Exemption.

Inspection and compliance

Does VFO conduct inspections?

VFO operates under *Regulation 58/15*, specifically *Regulation 58/15 3(c)*, which is established under the *Farm Products Marketing Act*. VFO has been granted authority to inspect records, documents, properties, and veal cattle related to those involved in the production or marketing of veal cattle. Additionally, VFO is empowered to enter properties used for veal cattle production and conduct cattle counts. These inspections include dealers, licenced or not, sales barns and farms. VFO conducts routine inspections to ensure compliance with industry standards.

No sale calves

At some sale barns there are calves that did not sell during the sale. Is the licence fee/check-off still deducted from those animals?

To maintain fairness and equality within the industry all calves, even no sale calves are to have the licence fees remitted on.

Privacy Policy

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.

Veal Farmers of Ontario
130 Malcolm Road, Unit 2,
Guelph, Ontario, N1K 1B1
Tel: 519-824-2942
info@vealfarmers.ca
<https://vealfarmers.ca>