

CHAIRMAN'S MESSAGE

Dear Producers,

The year 2019 was a particularly active and positive year for the “Producteurs de bovins du Québec” (PBQ) on a number of fronts. In this letter, I would like to touch on a few key areas where we have made progress and draw your attention to our anticipated priorities moving forward.

The use of the term “meat” in advertisements by the American plant protein company Beyond Meat, which we saw at the start of the year, was a major irritant for cattle producers. In our view, it is simply essential that the foods be clearly distinguished from each other. Federal regulations are overwhelmingly in support of this view. The same is true when it comes to respecting the integrity of our product. A formal complaint was filed with the Canadian Food Inspection Agency, and the PBQ prevailed. We must remain vigilant on this issue, and we invite you to let us know if you see a product with questionable labelling.

We have increased our advocacy efforts with governments in the recent months. Through these meetings, we were able to defend various issues of interest in beef and veal production. Overall, we would like to create a more favourable environment for the cattle industry. We can take pride in obtaining certain recent wins for our producers, including “La Financière agricole du Québec’s” decision to remove the rule requiring three times the typical farm in contribution sharing as well as contributions for research and promotion being once again included in the stabilized income calculation. Rest assured that we will continue implementing measures to encourage profitability and success for cattle production.

Recent strategic planning efforts provided good examples of promising avenues to explore with the “ministère de l’Agriculture, des Pêcheries et de l’Alimentation du Québec”, and which has brought the PBQ’s leadership to the forefront. It is not every day that partners such as representatives from slaughter facilities and auctions meet around the same table to set common goals. We are convinced that this type of initiative will bear fruit for farmers over the medium and long terms, and we will continue to offer our full cooperation.

In federal matters, the new transportation regulations were a priority issue. A two-year transition period in certain situations has finally been announced. This means we have been heard. The two-year period is designed to give the industry time to adapt. We hope that Minister Marie-Claude Bibeau will make sure our realities are reflected in the regulations. We will continue our advocacy alongside the Canadian Cattlemen’s Association on this issue. The issue of farm invasions is also a concern for farmers, and we will make sure to remain vigilant on this front.

In the coming months and years, we can expect many issues to affect our business environment. Firstly, we will continue engaging in an open dialogue with the public to address any misinformation relating to us. Agriculture, especially animal farming, finds itself constantly targeted, which is why continued collaboration with the various organizations of the “Union des producteurs agricoles” is essential. We would like to reassure consumers about the practices we use, and to remind them about the benefits of beef and veal production as well as the high quality of our products.



Secondly, we will continue to work closely with governments to get back on the road to growth by fostering the development of dynamic and sustainable cattle production. We want to pass on a healthy sector to ensure continuity for our young farmers, and the government can be a key partner in the coming years in this regard. A healthy veal sector can contribute significantly to maintaining a good balance in the Quebec farming ecosystem, especially for the dairy sector, and there is nothing better than a growing beef sector to ensure our land is put to good use.

Sincerely,

Claude Viel

Claude Viel, Chairman

PBQ Board of Directors



Left to right, third row: Jean-Marc Paradis, Pierre-Luc Nadeau, André Tessier, Bertrand Bédard, Stanislas Gachet, Gilles Murray, Stanley Christensen, Jean-François Dion
Left to right, second row: Doris Boissonnault (interim), Jean-Marc Ménard, Daniel Reichenbach, Francine Trépanier, Steve Beaudry, Louis-Joseph Beaudoin, Pierre Ruest
Left to right, first row: Jean-Thomas Maltais, Philippe Alain, Claude Viel, Kirk Jackson, Sylvain Bourque

PBQ Management



Left to right, second row: Annie Lo, Guy Laquerre, Chantal Bruneau, Clément Lalancette, Eve Martin, Louis Blouin
Left to right, first row: Marie-Claude Dubuc, André Roy, Nathalie Côté

MARKETS

Feeder calves	2017	2018	2019
Number of beef cattle	134,900	136,600	136,500
Average sales weight – specialized auctions	659 lb	657 lb	664 lb
Price of bull calves 600–700 lb	\$2.14	\$2.14	\$2.06
Price difference – Quebec vs. Alberta-Manitoba	+\$0.06	+\$0.07	\$0.00

Cull cattle	2017	2018	2019
Cull cattle production in Quebec	86,100	99,300	105,000
Cull cattle price (per lb)	\$0.69	\$0.54	\$0.58
Price difference – Quebec vs. Ontario	-\$0.08	-\$0.07	-\$0.06

Grain-fed veal	2017	2018	2019
Grain-fed veal calf production in Quebec	71,400	69,700	71,400
Average carcass weight	373 lb	371 lb	373 lb
Grain-fed veal calf price (per lb)	\$2.52	\$2.47	\$2.08
Price difference – Quebec vs. Ontario	+\$0.21	+\$0.25	+\$0.26

Fed cattle	2017	2018	2019
Fed cattle production in Quebec	92,000	90,900	87,200
Average carcass weight	875 lb	889 lb	891 lb
Fed cattle price (per lb)	\$2.48	\$2.44	\$2.43
Price difference – Quebec vs. Western Canada	-\$0.10	-\$0.11	-\$0.05

Bob calves	2017	2018	2019
Male bob calf production in Quebec	151,800	143,400	144,000
Price of male bob calves (per lb)	\$1.98	\$1.36	\$1.32
Price difference – Quebec vs. Ontario	+\$0.28	+\$0.16	+\$0.13

Milk-fed veal	2017	2018	2019
Milk-fed veal calf production in Quebec	118,400	99,800	79,500
Milk-fed veal calf production in the United States	202,200	191,200	192,400
Milk-fed veal calf price in the United States (\$ CAN) (per lb)	\$3.95	\$4.02	\$4.10
Milk-fed veal calf price in the United States (\$ CAN) (per lb)	Since January 1, 2018, USA NPO has been the reference for milk-fed veal calf pricing in Quebec		

FINANCIAL SUMMARY

GENERAL FUNDS

Unaudited financial statements - Year ending October 31, 2019

	2019**												2018***
	GENERAL ADMIN. (\$)	SALES AGENCIES					PROMOTION				RESEARCH (\$)	CUMULATIVE RESULTS* (\$)	CUMULATIVE RESULTS* (\$)
		CULL CATTLE (\$)	GRAIN-FED VEAL (\$)	FED CATTLE (\$)	FEEDER CALVES (\$)	MILK-FED VEAL (\$)	GRAIN-FED VEAL (\$)	FED CATTLE (\$)	FEEDER CALVES (\$)	MILK-FED VEAL (\$)			
Income	2,555,106	198,440	276,053	584,780	392,993	688,769	303,980	71,278	47,781	101,748	175,133	5,396,061	6,649,167
Expenses	2,558,182	371,872	443,283	470,539	282,112	343,622	297,790	12,585	9,364	136,967	76,723	5,003,039	6,282,282
Excess (shortfall) of income over expenses	(3,076)	(173,432)	(167,230)	114,241	110,881	345,147	6,190	58,693	38,417	(35,219)	98,410	393,022	366,885
Net assets, end of year	2,836,737	667,009	499,563	707,314	483,854	360,947	38,755	58,693	64,474	120,782	482,735	6,320,863	5,927,842

* Cumulative results account for the elimination of operations between the different sections
** Financial statements based on a 10-month period
*** Financial statements based on a 12-month period

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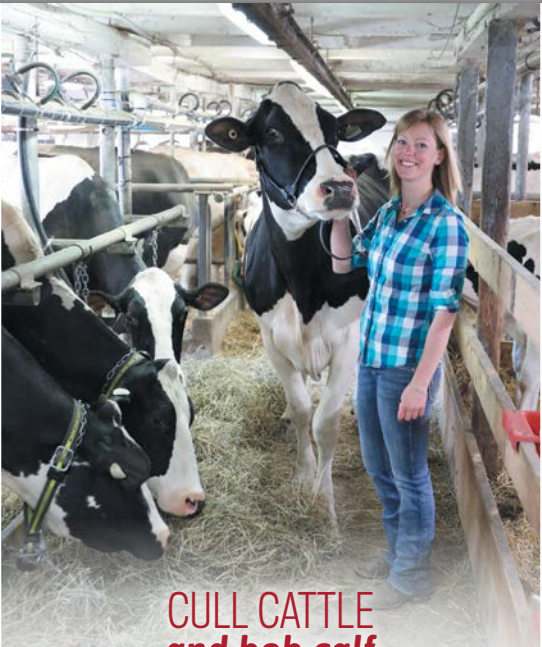
Les Producteurs de bovins du Québec sur Facebook

A platform by and for producers of all cattle production sectors

Cattle farming includes

A VEAL sector

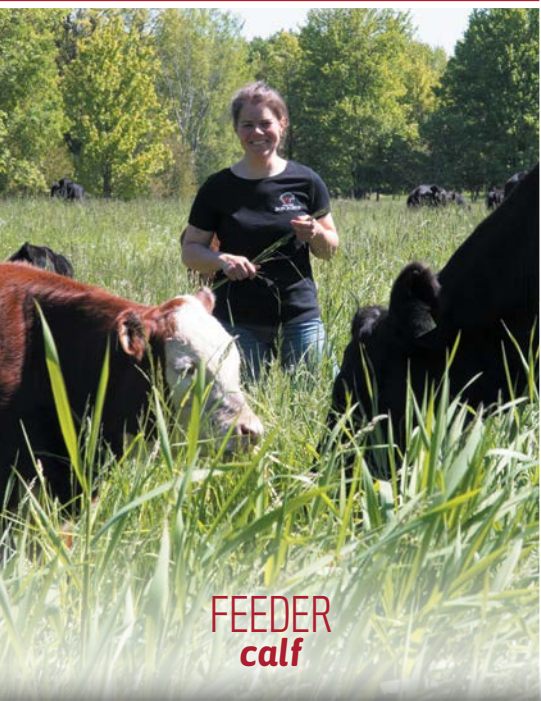
A BEEF sector



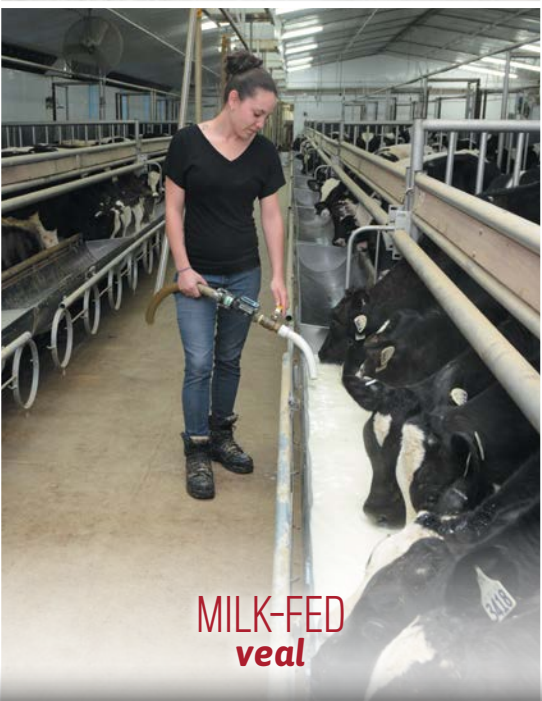
CULL CATTLE and bob calf



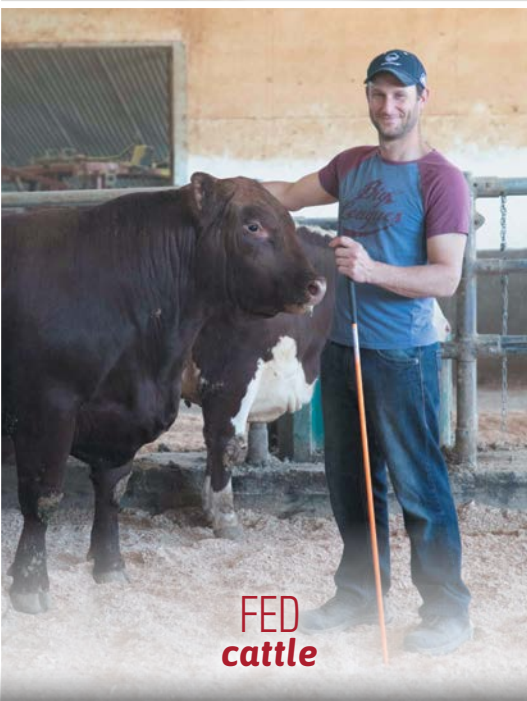
GRAIN-FED veal



FEEDER calf



MILK-FED veal



FED cattle

2019 ANNUAL REPORT OF ACTIVITIES

Les Producteurs de bovins du Québec
bovin.qc.ca



GENERAL ACTIVITIES IN 2019

INCOME SECURITY

The year 2019 saw the implementation of certain decisions made by the “Financière agricole du Québec” (FADQ) in 2018. These decisions are, in a sense, the culmination of many years of hard work by the “Producteurs de bovins du Québec” (PBQ) in conjunction with the “Union des producteurs agricoles” (UPA) and the FADQ.

PROGRESS IN 2019–2020

- Promotional and research contributions are once again included in the stabilized income calculation.
- The rule of three times the typical farm no longer applies in contribution sharing.
- There is no link between the AgriStability program and the Farm Income Stabilization Insurance (ASRA) program in the event of significant animal mortality.

PRIORITIES IN 2020

- Improve calculation methodology for farmer remuneration (skilled worker wage);
- Return to the pre-2013 level for AgriStability program coverage;
 - The program would kick in after a 15% drop in annual income compared to the historical average (rather than 30%);
- Holistic analysis on current financing and income security programs to better suit cattle production;
 - This analysis should lead to more precisely identified production needs.

IN EFFECT IN 2020

A new ASRA model for grain-fed veal calves should increase insurance coverage by about \$2.86 per animal.

GOVERNMENT RELATIONS

FEDERAL

In 2019, the PBQ, in collaboration with the Canadian Cattlemen’s Association (CCA), met with representatives from the federal government. Discussions included the following topics:

- Product labelling (the “plant-based meat” file);
- Greater access to foreign markets for beef and veal;
- Enforcement of the new animal transportation regulations and their entry into force in February 2020;
 - PBQ requests:
 - To defer the enforcement of *PART XII — Transportation of Animals in the Health of Animals Regulations* (the Regulations) for the cattle sector until pending Canadian studies allow us to determine the true impact of the cattle’s well-being during transportation (two-year deferral);
 - To enforce the regulations consistently in all provinces;
 - To quickly implement a financial assistance program to help affected parties (producers, auctions, transporters, meeting places, etc.) implement the changes needed to comply with the Regulations.

PROVINCIAL

Efforts to attain the objective of the 2018–2025 *Development Plan*, to once again reach a critical cattle production threshold in Quebec, have increased. A meeting to this effect was held in late 2019 with the “ministère de l’Agriculture, des Pêcheries et de l’Alimentation du Québec” (MAPAQ), Minister André Lamontagne, to notify him of producers’ top needs. The main discussions dealt with the following:

- Beef and veal producers’ need for increased access to financing and income security programs that are better suited to the cattle sector;
- The creation of assistance programs that are suited to the needs of cattle production.

COMMUNICATION AND COMMUNITY LIFE

The PBQ continues to implement a community life action plan in order to develop the organization’s communications and encourage member engagement and support. Notable actions in 2019 included the following:

- Development of online communication platforms (Facebook, YouTube, etc.);
- An enhanced format for the “*La Minute bovine*” newsletter;
- Enhancements to the “*Bovins du Québec*” booklet in “*La Terre de chez nous*”.

DID YOU KNOW?

Since geography can be an impediment to participating in Regional Annual General Meetings (RAGM), meetings can now be held simultaneously in multiple locations. This arrangement makes for optimum member voting without having to travel as far. For example, in February 2019, members of the “Syndicat des producteurs de bovins du Bas-Saint-Laurent” could have opted to travel to Rimouski or Rivière-du-Loup to exercise their vote and take an active part in their RAGM.

STRATEGIC PLANNING

In the fall of 2018, the PBQ embarked on two strategic planning processes that will be spread over a five-year period (2019-2024). The planning is organized by sector: beef and veal. Representatives of other organizations (slaughter facilities, buyers, auctions, etc.) participated in each sector. This major project will benefit all of Quebec’s cattle production.

ANIMAL HEALTH AND WELFARE

BIOSECURITY

The PBQ is working on the following areas:

- Biosecurity and animal welfare during transportation of bob calves to auction and the transportation of milk-fed and grain-fed veal calves to slaughter facilities;
- Biosecurity on milk-fed veal farms;
- Development of an emergency measures plan.

HEALTH

The “Programme intégré de santé animale du Québec” (PISAQ) for feeder calf production was launched in 2019. This program provides free visits from veterinarians to farmers.

The PBQ was approached to assist the MAPAQ to develop an antibiotic resistance monitoring program in Quebec.

QUALITY PROGRAMS

Ever since the VBP+ program was recognized by the Canadian Roundtable for Sustainable Beef (CRSB), the PBQ has doubled its efforts at increasing the number of certified producers in Quebec. Incentive programs were created in 2019 for feeder calf and fed cattle farms. The year 2019 also marked the end of the implementation period for the new “programme Veau de grain du Québec certifié” (VGQC).

RESEARCH

The PBQ invests in research through research funds for each cattle production sector. The following are a few examples of research projects:

- Literature review on feed, grazing, and genetics;
- Biosecurity and animal welfare during transportation of bob calves and heavy calves;
- Projects on cattle transportation, new forage varieties, multi-species grazing, and the Canadian Cow-Calf Surveillance Network within the beef research cluster (2018–2023)

SECTOR HIGHLIGHTS

FEEDER CALF SECTOR

MAIN ACCOMPLISHMENTS IN 2019

Quebec Specialized Feeder Calf Auctions Circuit

Producer-sellers may now request that the annual vaccination status of their breeding herd as well as the VBP+ certification of their business be displayed on screen. Also, feeder calves may now be registered in all auctions by email.

Finally, changes were made to the feeder calf vaccination protocol for specialized auctions that came into effect on August 1, 2019. Only the live attenuated vaccine is included in the protocol, and it must be administered to calves aged less than five months, between two weeks and four months prior to sale.

VBP+ certification expansion

An action plan to encourage producers to become VBP+ certified met with much success. Including producers certified prior to 2019, a total of 47 cow-calf producers were VBP+ certified as of early December 2019. All certified VBP+ producers also become automatically eligible for the Sustainable Beef program.

Quebec feeder calf promotion and advertising Fund (the Fund)

Contributions collected through the Fund made it possible to continue activities on the promotional platform, “Le Bœuf du Québec” (Quebec beef) website, where consumers may find Quebec cow-calf producers who market their products on the farm. A portion of the Fund was also used to produce a brochure entitled “*Une occasion à saisir*” (Seizing the opportunity) intended for the next generation of farmers.

Directions for 2020

- Genetic breeding improvement on farms;
- Promoting VBP+ certification;
- Improving calf health;
- Promoting young farmers to ensure the next phase in agriculture.



FED CATTLE SECTOR

MAIN ACCOMPLISHMENTS IN 2019

Sustainable beef

The PBQ is continuing discussions with Cargill and “Agri-Traçabilité Québec” (ATQ) to implement a program that will enable VBP+ certified animal tracking. In late 2019, 64% of fed cattle production volume was VBP+ certified.

Promotion and advertising Fund (the Fund)

Three projects were financed through the Fund, namely two “Boeuf Québec” partner program projects for promotion directed to the general public as well as a project submitted by “Coopérative Bœuf Gaspésie”, to help promote its products to retailers.

Improving communications with fed cattle producers

Since February 2019, the fed cattle sector sends a daily newsletter to its producers to quickly and frequently inform them of market trends and reference pricing in the Canadian and American markets. Registrations to the mailing list are done through the fed cattle sales agency.

Directions for 2020

- Altering the price list (negotiation with purchasers);
- Promoting VBP+ certification.



CULL CATTLE AND BOB CALF SECTOR

MAIN ACCOMPLISHMENTS IN 2019

Cull cattle and bob calves Sales agreement (the Agreement)

The Agreement was amended to include a clause that holds the seller responsible for any drug residues rendering cull cattle or bob calf carcasses unfit for consumption. The objective is to ensure that Canadian and American standards are followed.

Improving market information disseminated to producers

From now on, prices for bob calves that come from crosses with beef cattle semen will be segmented by sex, quality, and weight. These new details are available in “*La Terre de chez nous*” and in the “Infoprix” section of the bovin.qc.ca website.



Assessing the feasibility of finishing dairy steers in Quebec

This project was initiated with a view to diversifying bob calf markets. Its aim is to collect information on finishing and best husbandry practices and to share it with producers.

Directions for 2019

- Developing new markets for bob calves;
- Taking steps to have Quebec cull cattle products recognized as “Sustainable Beef”;
- Improving the health and well-being of cull cattle and bob calves;
- Negotiating the Agreement with auctions.

MILK-FED VEAL SECTOR

MAIN ACCOMPLISHMENTS IN 2019

Comparing production methods and costs between the Netherlands and Quebec

The study on comparing production methods and costs between the Netherlands and Quebec was completed. The results will be discussed in detail with all producers through training days offered in 2020 and will be used to support the efforts of the federal working group on veal competitiveness.

Developing a decision-making tool

A production cost calculator tool was developed for independent milk-fed veal producers. The objective is to support farmers in making their businesses profitable. Training days are scheduled for 2020.

Directions for 2020

- Promoting Verified Veal certification;
- Improving the health of bob calves in collaboration with the cull cattle and bob calf marketing committee (“Forum Veau”);
- Reviewing/repositioning promotional activities.



GRAIN-FED VEAL SECTOR

MAIN ACCOMPLISHMENTS IN 2019

Negotiations with purchasers

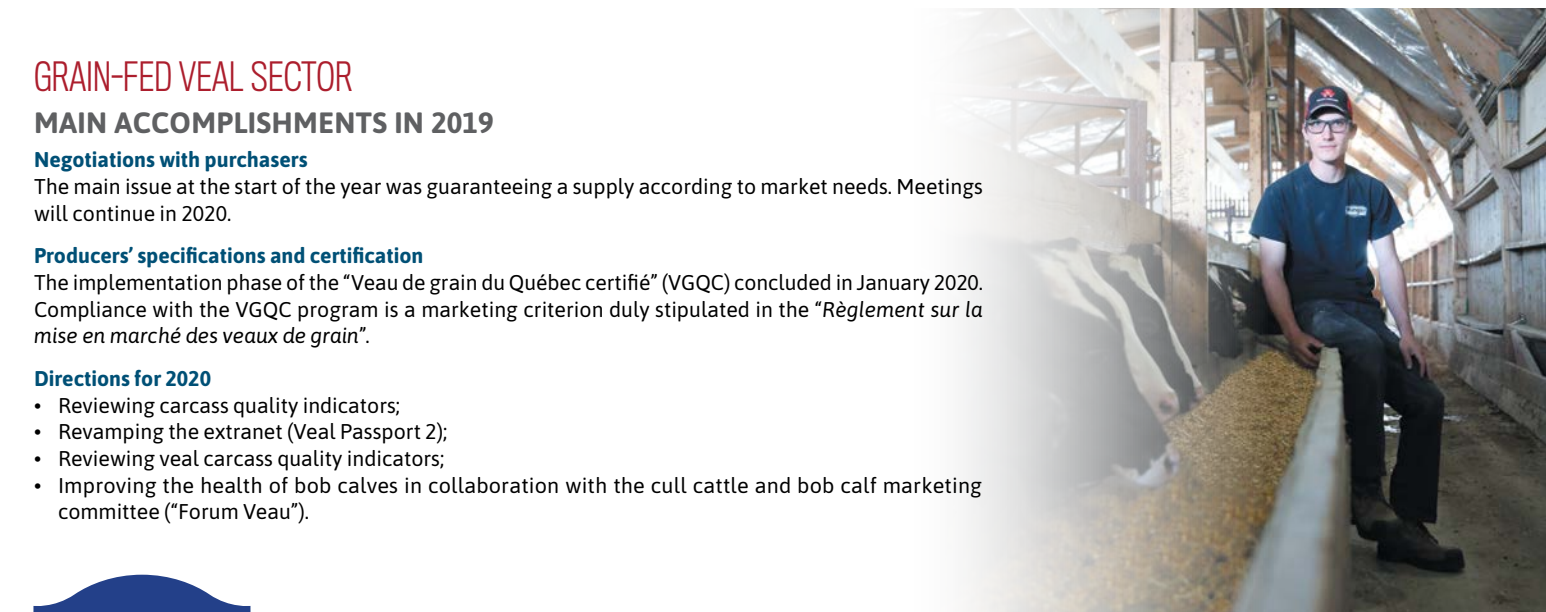
The main issue at the start of the year was guaranteeing a supply according to market needs. Meetings will continue in 2020.

Producers’ specifications and certification

The implementation phase of the “Veau de grain du Québec certifié” (VGQC) concluded in January 2020. Compliance with the VGQC program is a marketing criterion duly stipulated in the “*Règlement sur la mise en marché des veaux de grain*”.

Directions for 2020

- Reviewing carcass quality indicators;
- Revamping the extranet (Veal Passport 2);
- Reviewing veal carcass quality indicators;
- Improving the health of bob calves in collaboration with the cull cattle and bob calf marketing committee (“Forum Veau”).



PROMOTION AND MARKET DEVELOPMENT

In 2019, the grain-fed and milk-fed sectors promotion team continued with its “100 % local de la ferme à la cuisine” (100% local from farm to fork) advertising campaign through various advertisements, websites and Facebook posts. In addition, joint advertising activities were conducted in the following media outlets: *La Presse+*, 96.9 FM, 98.5 FM, etc. Also, the Quebec veal food truck traveled to 17 custom events in different regions of Quebec.

TO KEEP YOU POSTED!

- Join our Facebook group at facebook.com/groups/bovinsqc/
- Subscribe to YouTube at bit.ly/2R2SzdB
- Subscribe to *La Minute bovine* at bovin.qc.ca/abonnement/
- Extranet: Contact the Marketing agency

