

ANNUAL REPORT ON ACTIVITIES



**FED
cattle**



**FEEDER
calf**



**CULL CATTLE
and dairy calf**



**GRAIN-FED
veal**



**MILK-FED
veal**



2021

Les Producteurs
de bovins du
Québec

bovin.qc.ca



LETTER FROM THE CHAIR

Dear Producers,

Contrary to all expectations, 2021 ended somewhat like spring 2020 began. Fortunately, thanks to the reorganizing we did at the very start of the pandemic, we continue to remain 100% functional. As Chair of the PBQ, I can assure you that we are doing everything we can to keep regular activities up and running. We have also held a number of discussions with government authorities on various issues. I have been in my current role since September 2020, and have had almost no opportunities to meet with producers in person. Let us hope that things get back to normal as quickly as possible.

February 2020 saw the coming into force of the new transportation regulations, a matter our team has had to follow very closely. In collaboration with the Canadian Cattlemen's Association, we pursued more meetings with the federal government to reiterate the significant problems these new measures pose, especially for producers of heavy calves and dairy calves. Meanwhile, our team has worked tirelessly to develop solutions and training resources for producers and carriers. We held meetings with Minister Marie-Claude Bibeau to find potential solutions that were acceptable to the industry.

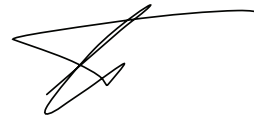
Since the start of the year, feeder calves and fed cattle recognized under *Bœuf durable* have been eligible for financial premiums paid by one buyer. This PBQ-led effort holds great potential and will help improve the supply of differentiated products that benefit producers and meet the expectations of our clientele. It is also an opportunity for us to further showcase the quality of our production methods.

We are also continuing our efforts advocating towards a better adaptation of income security programs to producers' reality. For production types that fall under the Farm Income Stabilization Insurance (ASRA) program, our priority is updating producer remuneration. This measure would provide significant and much-needed support for our businesses. We also advocate to return the payment trigger for AgriStability to 85% as this would better help prevent the erosion of margins for businesses.

To encourage information transfer to producers and industry partners, the PBQ organized its first-ever colloquium for these stakeholders. We plan to do it again, hopefully in person, in the coming years. Further, we held a number of interesting webinars for producers in our sectors. I would like to recognize the monumental work our marketing committees do. Thanks to our sales agencies, the PBQ has been able to advance projects that are well adapted to their purposes.

Finally, I would like to salute the sustained efforts put forth by the directors and staff throughout our organization, especially in these difficult times. While our efforts have not always yielded the desired results, I conclude my first full year as president with a strong sense that our organization is making the right moves to achieve collective progress. The coming years hold great challenges, and we are committed to doing everything in our power to overcome them. The ever-expanding areas of environment and animal welfare are topics we take very seriously; we believe it is our duty to keep them top of mind as we aspire to grow the sector.

I invite you all to come out to the PBQ AGM on March 29 and 30, which we hope to hold in Quebec City. This critical gathering helps us build the cohesion that defines Quebec's cattle sector, a cohesion born of strength in numbers.



Jean-Thomas Maltais,
Chair



PBQ Board of Directors



Chair
Mr. Jean-Thomas Maltais
Farm located in Saguenay (borough of Chicoutimi)



Abitibi-Témiscamingue
Mr. Vincent Boisvert
Farm located in Landrienne



Bas-Saint-Laurent
Mr. Daniel Reichenbach
Farm located in Saint-Ulric



Capitale-Nationale-Côte-Nord
Mr. Philippe Alain
Farm located in Saint-Basile



Centre-du-Québec
Mr. Jean-François Dion
Farm located in Inverness



Chaudière-Appalaches-Nord
Mr. Bertrand Bédard
Farm located in Saint-Patrice-de-Beaurivage



Chaudière-Appalaches-Sud
Mr. Sylvain Bourque
Farm located in Saint-Théophile



Estrie
Mr. André Tessier
Farm located in Wotton



Gaspésie-Les Îles
Ms. Doris Boissonnault
Farm located in Caplan



Lanaudière
Ms. Francine Trépanier
Farm located in La Visitation-de-l'Île-Dupas



Mauricie
Mr. Steve Beaudry
Farm located in Yamachiche



Montréal-Est
Mr. Jean-Marc Ménard
Farm located in Sainte-Christine



Montréal-Ouest
Mr. Kirk Jackson
Farm located in Saint-Anicet



Outaouais-Laurentides
Mr. Stanley Christensen
Farm located in Lac-Sainte-Marie



Saguenay-Lac-Saint-Jean
Ms. Émilie Girard
Farm located in Saint-Bruno



Fed cattle marketing committee
Mr. Jean-Marc Paradis
Farm located in Farnham (Montréal-Est)



Cull cattle and dairy calf marketing committee
Mr. Pierre Ruest
Farm located in Saint-Anaclet-de-Lessard (Bas-Saint-Laurent)



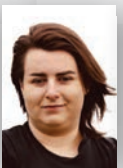
Feeder calf marketing committee
Mr. Sébastien Vachon
Farm located in Saint-Frédéric (Chaudière-Appalaches-Sud)



Grain-fed veal marketing committee
Mr. Louis-Joseph Beaudoin
Farm located in Prouville (Mauricie)



Milk-fed veal marketing committee
Mr. Pierre-Luc Nadeau
Farm located in Saint-Isidore (Chaudière-Appalaches-Sud)



Young farmers' representative (observer)
Ms. Joanie Courchesne



Executive Director and Secretary-Treasurer
Mr. André Roy

GENERAL ACTIVITIES IN 2021

INCOME SECURITY

Income security programs are intended to stabilize business incomes and help farmers cope with the vagaries of the market. The more stable and predictable the business environment, the more businesses are able to develop. The Producteurs de bovins du Québec (PBQ) works continuously with the different levels of government to ensure these programs address the situation producers face.

Progress in 2020–2021

- In the past year, the Union des producteurs agricoles (UPA) Confederation and all specialized federations whose product falls under Farm Income Stabilization Insurance (ASRA) program increased the number of meetings held with numerous ministers and other parliamentarians, including Quebec's Minister of Agriculture, in order to update the remuneration producers receive.
- The PBQ helped establish the new production cost model for the fed cattle and feeder calf sectors.

Priorities in 2022

- Updating the remuneration producers and family labourers receive in order to reflect the current situation for the different production sectors falling under ASRA
- Returning the payment trigger for AgriStability to 85%
- Continuing to examine ways to improve the ASRA program in concert with the Financière agricole du Québec

GOVERNMENT RELATIONS

Federal

In 2021, the PBQ, in collaboration with the Canadian Cattlemen's Association (CCA), made representations to the Canadian government, on the following main topics:

- Highlighting the major issues involving the animal transportation regulations (a meeting with the Minister of Agriculture and Agri-Food was set for early 2022)
- Collaboration with the federal government to review the list of specified risk materials associated with Canada's negligible risk country status

Provincial

A number of meetings and discussions took place with Minister André Lamontagne and members of his cabinet. The following files were among those discussed:

- Adjusting pay for semi-skilled labour under ASRA
- Adjusting the administrative policies regarding animal shelter

Other files discussed included the following: the environment; appearance before the Committee on Agriculture, Fisheries, Energy and Natural Resources regarding Bill 99; etc. Furthermore, since fall 2021, the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec (MAPAQ) and the PBQ agreed to hold regular meetings to establish constant dialogue and more rigorous follow-ups.

COMMUNICATIONS AND SYNDICATE AFFAIRS

- For the first time, Quebec put in an application for The Environmental Stewardship Award (TESA). TESA is a Canadian award that has been given since 1996. The 2021 winner was a business based in Nova Scotia.
- The PBQ organized its first colloquium for the entire cattle industry. The event, held on November 25, 2021, was attended by over 100 producers and stakeholders.
- The PBQ Board of Directors created a young farmers' position. This was a substantially innovative move within the UPA.
- Quebec now has its own representative on the Young Cattlemen's Council (YCC), which is a subsidiary of the CCA.

ANIMAL HEALTH AND WELFARE

Health

The *Programme intégré de santé animale du Québec* (PISAQ, Quebec integrated animal health program), included in the agreement on transitioning the *Programme d'amélioration de la santé animale du Québec* (ASAQ, Quebec animal health improvement program), should be renewed for a three-year period. Negotiations are still in progress to finalize the agreement between the various parties.

Animal transportation

An internal committee on the new animal transportation regulations is helping to develop and implement solutions for producers. For example, the PBQ developed training sessions for producers and carriers, as well as studies to assess potential solutions, such as developing an alternative feed to milk for unweaned calves.

QUALITY PROGRAMS

The Verified Beef Production Plus (VBP+) program covers fed cattle and cow-calf operations. As of November 26, 2021, there were 149 producers certified under the program. VBP+ certification makes producers eligible under the *Bœuf durable* (Sustainable beef) program, which was made possible thanks to the system developed by the PBQ. The year 2021 marks the first in which certified producers were able to obtain financial premiums from buyers.

RESEARCH

The PBQ invests in research through its sector-specific research and development funds. Producer investments for the current year as well as the next two years total \$435,599 for projects valued at \$6,838,136, for a multiplier effect of 1 to 16.

Here are a few of the projects completed or continued in 2021:

- Developing a health and welfare index for dairy calves
- Motricity of cull cattle
- Canada-wide cow-calf cost of production project
- Impact of pre-slaughter management on carcass quality in grain-fed veal
- Quebec cattle sector competitiveness study
- Improving the competitiveness of beef cattle businesses

INTERNAL MANAGEMENT

As a result of COVID-19, the PBQ adapted its working methods to be 100% functional in a teleworking context. Investments were made to update the computer system and enable operations to continue in emergencies.

ADVANCE PAYMENT PROGRAM

The PBQ has not been the administrator of the Advance Payment Program since the 2020 campaign. For new loan applications, producers are now being referred to the Agricultural Credit Corporation.

ADJUSTMENT OF THE BASE CONTRIBUTION TO THE JOINT PLAN

The financing plan adopted at the 2020 Annual General Meeting (AGM) of the PBQ came into force on February 3, 2021, and remains in effect until December 31, 2022. A new proposed modification has, however, been tabled during consultations held at the regional annual general meetings (RAGMs) of syndicates in the cattle sector. At the AGM, the membership will have to take a position on the proposal, which will then be brought before the Régie des marchés agricoles et alimentaires du Québec. For further details, please see your RAGM booklet, which is available at <http://bovin.qc.ca/publications/archives/2022-2/>.

RÉSEAU ENCANS QUÉBEC

The PBQ finalized a buy-back agreement of special shares held in Réseau Encans Québec for \$2 million, as agreed in 2015. This decision is the result of a unanimous resolution by the PBQ Board of Directors. This money will be invested and used to maintain regular operations if deficits or special or other needs occur, and to help implement non-recurring special projects to promote cattle production.

SECTOR HIGHLIGHTS

FEEDER CALF SECTOR

PROGRESS IN 2021

Quebec Specialized Feeder Calf Auctions Circuit

The Quebec Specialized Feeder Calf Auctions Circuit (the Circuit) had a good year in 2021. The issue of low volumes will be examined more rigorously. Changes may be made in the 2022–2023 season to ensure the Circuit remains healthy and addresses buyers' and sellers' needs.

The Circuit's partners have agreed to livestream specialized auctions, which will begin in winter and spring 2022. The first livestreams will be announced through the PBQ's various communication tools and the link will be available through the extranet site.

Suspension of collecting special contribution for Fonds de promotion et de publicité à l'acquisition des producteurs de veaux d'embouche (the Fund) in 2022

The feeder calf marketing committee decided to suspend its collection of the special contribution of \$0.50 per feeder calf marketed for the Fund, which was implemented on July 1, 2018. This decision was made because potential needs can be met with the money already available.

Priorities for 2022

- Continuing to implement the beef sector strategic plan
- Communication of the forthcoming vaccination protocol for breeding herds
- Increasing the number of feeder calves recognized as sustainable beef
- Implementing livestreams for specialized auctions
- Continuous improvement to the Circuit
- Continued suspension of the collection of the special contribution for the Fund



FED CATTLE SECTOR

PROGRESS IN 2021

Action plan and production recovery

The fed cattle marketing committee (CMMBA) continued analyzing how to improve the marketing of fed cattle in Quebec. The CMMBA underscores the importance of consulting with producers and sector partners.

Promotion and publicity fund (Fonds de promotion et publicité)

The year 2021 saw the start of the *Accroître les ventes de bœuf du Québec sur le marché québécois* (Increasing Quebec beef sales in the Quebec market) project. This partnership project, which includes the fed cattle sector, the feeder calf sector, and Montpak International, received financial assistance through the MAPAQ's *Programme de développement des marchés bioalimentaires* (Bio-food market development program), which will cover 70 percent of project-related expenses.

Priorities for 2022

- Continuing to implement the beef sector strategic plan
- Continuing analyzing ways to recover production
- Continuing to roll out the VBP+ certification program
- Continuing to work to improve the income security program
- Diversifying buyers



CULL CATTLE AND DAIRY CALF SECTOR

PROGRESS IN 2021

Assessing the potential of beef semen on dairy herds

The goal of the project is to assess the feasibility and profitability of raising dairy beef in the Quebec context. It got under way in 2020 and will run until 2023. The project was made possible thanks to financial assistance through the *Programme de développement sectoriel* (Sector development program), as part of the Canadian Agricultural Partnership.

Drug residues in carcasses

The first aim of this project, which got under way in 2020, was to produce the French-language handbook *Utilisation des médicaments vétérinaires : Indications autorisées et délais d'attente recommandés avant l'abattage des bovins au Canada et aux États-Unis* (Veterinary drug usage: authorized indications and recommended wait times before slaughter in Canada and the United States). You can freely obtain the paper version of the booklet from the PBQ as well as veterinary clinics. An electronic version is also available at <https://cutt.ly/medicamentsbr>.

Priorities for 2022

- Continuing to implement the beef and veal sector strategic plan
- Continuously improving the health and quality of cull cattle and dairy calves
- Carrying out projects to adapt the new transportation regulations
- Developing new outlets for dairy calves
- Developing new markets for cull cattle



MILK-FED VEAL SECTOR

PROGRESS IN 2021

Strategic support for milk-fed veal producers and management advisory services

This project allowed the creation of a decision-making tool to help independent milk-fed veal producers calculate their production costs. Determining production costs helps businesses make diagnoses and identify actions they can take to increase profitability and efficiency.

On-farm biosecurity intervention plan and veterinary consulting services

The purpose of this project is to develop and validate a biosecurity audit tool and process to reduce the risks of spreading and transmitting infectious diseases on milk-fed veal farms. Producers will also receive veterinary advice on biosecurity. The results of this project will be used to assess the feasibility of expanding it to all farms.

Priorities for 2022

- Continuing to implement the veal sector strategic plan
- Working with the Canadian Veal Association and the federal working group on veal competitiveness
- Improving the health of milk-fed veal calves
- Continuing promotional activities in collaboration with the grain-fed veal sector
- Rolling out the RegiVeau mobile app



GRAIN-FED VEAL SECTOR

PROGRESS IN 2021

Marketing overhaul

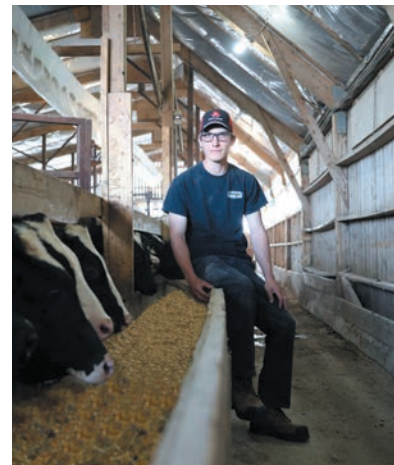
Following a series of meetings with buyers, an agreement was reached in April 2021 regarding overweight calves (i.e., those over 419 pounds) and the shortening of the post-sale pickup period.

Production histories

A total of 2,910 grain-fed veal calves were allocated to producers through three supplementary history allocation projects.

Priorities for 2022

- Continuing to implement the veal sector strategic plan
- Working with the Canadian Veal Association and the federal working group on veal competitiveness
- Improving the health of grain-fed veal calves
- Collecting data through the *Impact des pratiques de régie préabattage sur la qualité des carcasses de veaux de grain* (Impact of pre-slaughter practices on grain-fed veal carcass quality) project



Veau du Québec

MILK-FED AND GRAIN-FED VEAL SECTOR PROMOTION

The goal of the 2021 promotional plan was to increase the visibility of veal products during summer, for the second year in a row, and to launch the newly branded Quebec Veal website. To these ends, a suite of publicity activities was deployed. In addition, a collaboration with Aliments du Québec enabled the PBQ to obtain \$150,000 in financial assistance to roll out the BBQ campaign during summer, while the MAPAQ put up \$292,000 to finance the promotion of Quebec Veal over the next two years through the *Programme de développement des marchés bioalimentaires* (Bio-food market development program). Given the significant drop in milk-fed veal demand in 2020, the milk-fed veal marketing committee asked the grain-fed veal sector to take over milk-fed veal promotion as well as its portion of Quebec Veal.



STAY INFORMED!

- 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/
- Sector extranet: Contact your sales agency for access

MARKETS

Feeder calves	2018	2019	2020	2021
Number of beef cows	136,644	136,249	130,264	130,264
Average sale weight – Specialized auctions	657 lb	664 lb	667 lb	681 lb
Price of male calves 600-700 lb	\$2.14	\$2.06	\$2.13	\$2.12
Price difference – Quebec vs. Alberta-Manitoba	\$0.07	\$0.00	\$0.09	\$0.05

Cull cattle	2018	2019	2020	2021
Cull cattle production in Quebec	99,275	97,555	95,131	91,764
Cull cattle price	\$0.54	\$0.58	\$0.65	\$0.65
Price difference – Quebec vs. Ontario	-\$0.07	-\$0.06	-\$0.02	-\$0.05

Grain-fed veal	2018	2019	2020	2021
Grain-fed veal calf production in Quebec	69,723	72,643	76,371	74,950
Average carcass weight	371 lb	373 lb	375 lb	383 lb
Grain-fed veal calf price	\$2.47	\$2.12	\$2.35	\$2.48
Price difference – Quebec vs. Ontario	\$0.25	\$0.26	\$0.13	\$0.19

Fed cattle	2018	2019	2020	2021
Fed cattle production in Quebec	90,876	88,164	74,827	75,583
Average carcass weight	889 lb	890 lb	890 lb	899 lb
Fed cattle price	\$2.44	\$2.43	\$2.42	\$2.54
Price difference – Quebec vs. Western Canada	-\$0.11	-\$0.06	\$0.11	-\$0.06

Dairy calves	2018	2019	2020	2021
Dairy calf production in Quebec	143,436	130,131	158,704	166,692
Price of male dairy calves	\$1.36	\$1.32	\$1.33	\$1.32
Price difference – Quebec vs. Ontario	\$0.16	\$0.14	\$0.16	-\$0.13

Milk-fed veal	2018	2019	2020	2021
Milk-fed veal calf production in Quebec	99,814	80,338	74,642	68,021
Milk-fed veal calf production in the United States	191,202	192,363	178,273	136,955
Milk-fed veal calf price in Quebec				
Milk-fed veal calf price in the United States (Canadian \$)	\$4.02	\$4.10	\$3.90	\$4.15

FINANCIAL SUMMARY

GENERAL FUNDS

Unaudited financial statements - Year ended October 31, 2021

	2021										2020		
	GENERAL ADMIN. (\$)	SALES AGENCIES				PROMOTION				RESEARCH FUND (\$)	CUMULATIVE RESULTS* (\$)	CUMULATIVE RESULTS* (\$)	
		CULL CATTLE (\$)	GRAIN-FED VEAL (\$)	FED CATTLE (\$)	FEEDER CALVES (\$)	MILK-FED VEAL (\$)	MILK-FED VEAL (\$)	GRAIN-FED VEAL (\$)	FEEDER CALVES (\$)	FED CATTLE (\$)			
Income	3,423,423	322,558	642,949	564,706	473,562	302,258	12,424	769,954	105,814	169,824	223,308	7,006,780	5,842,361
Expenses	2,932,640	418,950	619,288	596,047	341,754	355,143	0	670,725	48,611	56,474	193,066	6,232,698	6,295,382
Excess (shortfall) of income over expenses	490,783	(96,392)	23,661	(31,341)	131,808	(52,885)	12,424	95,229	57,203	113,350	30,242	774,082	(453,021)
Net assets, end of year	3,101,240	280,558	552,441	676,568	701,123	183,195	0	161,867	172,857	213,405	625,973	6,669,227	5,918,167

* Cumulative results account for the elimination of operations between the different sections.

PBQ management committee



Mr. André Roy Ms. Annie Lo Ms. Marie-Claude Dubuc Ms. Nathalie Côté Ms. Eve Martin Mr. Louis Blouin Mr. Yannick Sauv  Mr. Guy Laquerre

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