

LETTER FROM THE CHAIR

Dear Producers,

The year 2022, which began with a gradual return to normal, brought its share of challenges, both within our organization and on our farms. This year, we marked the 40th anniversary of our joint plan. Without a doubt, the importance of this tool continues to be demonstrated with each passing day. In an era of uncertainty caused by the dizzying spike in input prices, which threatens the profitability of our businesses, the value of having a strong organization to serve beef and veal producers is crystal clear. Thanks to continued engagement from our elected representatives and the expertise of our staff, we continue to make progress on bold and creative projects that benefit all, and to issue more calls to decision-makers. We are aware of the problems. We are looking for solutions. And while not all of our requests get met, we remain in constant dialogue with our governments, especially the staff of the MAPAQ.

The decline in production volume we are seeing is a concern, and we are vigorously examining it. The situation in the fed cattle sector has become alarming, and we continue to hold discussions with the MAPAQ on implementing a recovery program to stop this trend in its tracks. We also continue reminding officials that updating farmers' remuneration under the ASRA program would be a good way to increase our support for the different cattle sectors that fall under the program. The Programme Investissement Croissance Durable, which recognizes the contributions of beef and veal producers, is a great step forward following our working meetings with the MAPAQ and with Minister Lamontagne. If we are to capitalize on local business opportunities and be part of the solution regarding the environment, we need to produce more and better—and this government support is indeed a first step in the right direction.

We are also seeing that implementing the (admittedly imperfect) strategic plans for the beef and veal sectors has raised a number of interesting solutions. Indeed, we are already in talks with the MAPAQ to make the next cycle even more effective. This collaborative process allows us to work with our partners to find ways to overcome challenges and make sure farmers get their fair share of every dollar invested in the sector.

A number of our partners joined beef and veal producers in attending the only event that brings all parts of Quebec's cattle industry together in one place: the *Colloque de l'industrie bovine Québécoise* (Quebec Cattle Industry Symposium). The event, an initiative of the PBQ, took place in Saint-Hyacinthe in November, attracted over 165 attendees including people from food distribution, the slaughter and processing sectors, the provincial and federal governments, and input and equipment suppliers, not to mention farmers. The event was a success and was enjoyed by all—a great example of how important it is to hold an event of this scale. Several partners have already expressed interest in helping to organize and fund the next edition.

Finally, our efforts to protect producers continued to bear fruit in the past year. Just look at Health Canada's absurd proposal to put a warning label on ground beef packaging identifying the food as being "high in saturated fat." Thanks to the efforts of the Canadian Cattle Association and the continued collaboration of the PBQ, the proposed rule was withdrawn for ground beef, veal, and pork.

I'd like to take this opportunity to invite you all to come out to the PBQ annual general meeting on March 28 and 29 at the Hôtel Le Concorde in Quebec City. It's a must-attend gathering, and I hope to see many of you there.

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 Dion Farm located in Saint-Basile	 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	
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PBQ management committee

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

MARKETS

Feeder calves	2019	2020	2021	2022
Number of beef cows	136,249	130,264	127,227	125,102
Average sale weight - specialized auctions	664 lb	667 lb	681 lb	676 lb
Price of male calves 600-700 lb ¹	\$2.06	\$2.13	\$2.12	\$2.34
Price difference - Quebec vs. Alberta-Manitoba ²	\$0.00	\$0.09	\$0.05	\$0.01

Milk-fed veal	2019	2020	2021	2022
Milk-fed veal calf production in Quebec	80,338	74,642	68,021	67,158
Milk-fed veal calf production in the United States	192,363	178,273	136,955	140,270
Milk-fed veal calf price in Quebec ³				
Milk-fed veal calf price in the United States (Can\$) ¹	\$4.10	\$3.90	\$4.15	\$5.40

Cull cattle	2019	2020	2021	2022
Cull cattle production in Quebec	97,555	95,131	92,929	90,962
Cull cattle price ¹	\$0.58	\$0.65	\$0.65	\$0.85
Price difference - Quebec vs. Ontario ²	(\$0.06)	(\$0.02)	(\$0.05)	(\$0.08)

Fed cattle	2019	2020	2021	2022
Fed cattle production in Quebec	88,164	74,827	77,509	63,195
Average carcass weight	890 lb	890 lb	899 lb	894 lb
Fed cattle price ¹	\$2.43	\$2.42	\$2.54	\$2.98
Price difference - Quebec vs. Western Canada ²	(\$0.06)	\$0.11	(\$0.06)	\$0.10

Grain-fed veal	2019	2020	2021	2022
Grain-fed veal calf production in Quebec	72,643	76,371	74,950	68,826
Average carcass weight	373 lb	375 lb	383 lb	384 lb
Grain-fed veal calf price ¹	\$2.12	\$2.35	\$2.48	\$3.16
Price difference - Quebec vs. Ontario ²	\$0.26	\$0.13	\$0.19	\$0.13

Bob calves	2019	2020	2021	2022
Bob calf production in Quebec	130,131	158,704	169,006	171,644
Price of male bob calves ¹	\$1.32	\$1.24	\$1.32	\$1.83
Price difference - Quebec vs. Ontario ²	\$0.14	(\$0.03)	(\$0.13)	(\$0.04)

¹ Price per pound ² Price difference per pound
³ As of January 1, 2018, Quebec Milk-fed veal uses the USA NPO price as a reference.

FINANCIAL SUMMARY

GENERAL FUNDS

Unaudited financial statements - Year ended October 31, 2022

	2022									2021			
	GENERAL ADMIN. (\$)	SALES AGENCIES				PROMOTION				RESEARCH FUNDS (\$)	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	\$3,820,366	\$522,992	\$765,251	\$528,754	\$580,977	\$291,445	\$0	\$487,536	\$21,703	\$90,767	\$328,650	\$7,438,441	\$7,006,780
Expenses	\$3,732,227	\$425,391	\$832,361	\$588,480	\$419,579	\$281,405	\$0	\$563,883	\$170,358	\$109,037	\$281,882	\$7,404,603	\$6,232,698
Excess (shortfall) of income over expenses	\$88,139	\$97,601	(\$67,110)	(\$59,726)	\$161,398	\$10,040	\$0	(\$76,347)	(\$148,655)	(\$18,270)	\$46,768	\$33,838	\$774,082
Net assets, end of year	\$3,189,379	\$378,159	\$485,331	\$616,842	\$862,521	\$193,235	\$0	\$85,520	\$24,202	\$195,135	\$672,741	\$6,703,066	\$6,669,228

* Cumulative results account for the elimination of operations between the different sections. The audited financial statement will be available at <http://bovin.qc.ca/publications/archives/2023-2/> as of March 13, 2023.

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- 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

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ANNUAL REPORT ON ACTIVITIES 2022

FED CATTLE
CULL CATTLE AND DAIRY CALF
MILK-FED VEAL
FEEDER CALF
GRAIN-FED VEAL

Les Producteurs de bovins du Québec
bovin.qc.ca

GENERAL ACTIVITIES IN 2022

INCOME SECURITY

The Producteurs de bovins du Québec (PBQ) works continuously with the different levels of government to ensure income security programs address the situation producers face.

Progress in 2021–2022 Farm Income Stabilization Insurance

- The Union des producteurs agricoles (UPA) and specialized federations whose products fall under the Farm Income Stabilization Insurance (ASRA) program continued to hold meetings with many parliamentarians, including Quebec's Minister of Agriculture, in order to ensure the remuneration producers receive under the program gets updated.

Priorities in 2023

- Working to develop a fed cattle recovery program for Quebec
- Participating in the activities of the sector working committee to conduct the study on grain-fed veal production costs for the ASRA program
- Continuing to work with the Financière agricole du Québec to examine ways to improve the ASRA program for the three insured products within the cattle sector

See pages 5 and 6 of the regional annual general meeting (RAGM) document at <https://cutt.ly/agrbovins2023> for details.

GOVERNMENT RELATIONS

Federal

One of the most important federal issues addressed by the PBQ and the Canadian Cattle Association is the application to Health Canada for an exemption to a proposed rule that would have required mandatory warning labels on packages of ground beef identifying the food as being "high in saturated fat." Following extensive representations, the proposed rule was withdrawn for ground beef, veal, and pork.

Provincial

In the run-up to the Quebec provincial election, the PBQ provided its representatives resources for meetings with MNAs. The themes they focused on in their discussions with candidates were determined by surveying delegates at the 2022 annual general meeting (AGM) of the PBQ.

Regular meetings have enabled the PBQ to raise important issues, ensure more rigorous follow-ups, and maintain an open dialogue with the MAPAQ.

See page 7 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.

COMMUNICATIONS AND SYNDICATE AFFAIRS

- The PBQ AGM was held in Quebec City. The occasion served as a chance to premiere a short documentary saluting the 40th anniversary of the Plan conjoint des producteurs de bovins du Québec (Quebec cattle producers' joint plan). The video is available for viewing on the PBQ YouTube channel. Watch it here: <https://cutt.ly/PBQ-plan-conjoint>.
- Quebec submitted another entry to The Environmental Stewardship Award, a Canada-wide competition. Quebec was represented at the national level by Ferme Guayclair, located in the Outaouais-Laurentides region.
- The PBQ presented the 2022 edition of the Colloque de l'industrie bovine québécoise (Quebec Cattle Industry Symposium)—an event held in Saint-Hyacinthe that attracted 165 participants from across the production, processing, and distribution sectors.
- The PBQ adapted its "De la viande bovine du Québec? | C'est simple. | Il y a du bœuf. Il y a du veau." (When it comes to beef in Quebec, it's simple. You have beef. You have veal.) advertisement for radio and television. It aired for multiple weeks in late June 2022. Watch it here: <https://cutt.ly/Pub-viande-bovine>.
- The PBQ put up over \$100,000 to fund training and mobilization activities for regional syndicates.
- The PBQ continued producing a number of webinars on various topics of interest. These are all available on the organization's YouTube channel at bit.ly/2R2SzdB.

See page 7 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.

ANIMAL WELFARE

Transport

A study to identify an alternative to milk feed is in progress. It is partly funded by the grain-fed veal, milk-fed veal, and cull cattle and bob calf sectors. The study also received funding from the Canadian Food Inspection Agency.

See page 7 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.

QUALITY PROGRAMS

As of November 28, 2022, 146 beef cattle producers were certified through the Verified Beef Production Plus (VBP+) program. VBP+ certification is one of the criteria that must be met for cattle to be eligible for the buyers' Sustainable Beef program. The PBQ continues to improve the training process and make the program more accessible for producers.

The PBQ is also responsible for making the Quebec Certified Grain-Fed Veal program mandatory, and it continues to encourage milk-fed veal farms to get certified through the Verified Veal program.

See pages 7 and 8 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.

STRATEGIC PLANNING 2019–2024

Beef sector

The year 2022 saw the relaunch of the beef sector strategic plan. Following a series of meetings and phone interviews with key stakeholders in the sector, the steering committee decided to focus its efforts on certain activities to develop the feeder calf, fed cattle, and cull cattle sectors. Two major partners joined the steering committee: food retailer Sobeys Inc. and the Cargill Limited company.

Veal sector

The year 2022 saw the implementation of various projects. Two Forum Veau meetings were held. The first provided an overview of projects that took place in the previous 12 months, while the second was a chance to share conclusions from the latest sector-level biosecurity projects. The development officer was involved in various initiatives to develop the grain-fed veal, milk-fed veal, and bob calf sectors.

See page 8 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.

RESEARCH

Producer investments in research for 2022 and the next two years will total \$457,514 for projects valued at \$5,900,795. This represents a multiplier effect of 13.

See page 8 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.

INTERNAL MANAGEMENT

The PBQ was one of the specialized federations of the UPA that were affected

by a cyberattack last August. The cyberattack has had the effect of expediting security updates and enhancements to the organization's computer systems and programs.

ADJUSTMENT OF THE BASE CONTRIBUTION TO THE JOINT PLAN

The last funding plan was in effect until December 31, 2022. Members in attendance at the 2022 AGM discussed a proposed adjustment that was put forth in a consultation at the 2022 RAGMs, which in turn was submitted to the Régie des marchés agricoles et alimentaires du Québec (RMAAQ). A new financing plan came into effect on January 1, 2023.

See page 21 of the 2022 AGM document at <https://cutt.ly/P9E8FHD> for details.

SECTOR HIGHLIGHTS

FEEDER CALF SECTOR

PROGRESS IN 2022

Quebec specialized feeder calf circuit

The PBQ's feeder calf sales agency, together with the auction managers, has decided to adjust the 2022–2023 season calendar of the Quebec specialized feeder calf circuit (the Circuit) based on the declining production of fed cattle in Quebec.

Sustainable beef and electronic auctions

The feeder calf marketing committee (CMMVE) set a new objective to strongly encourage farms with 100 head or more to get certified through the VBP+ program in an effort to increase the supply of certified sustainable animals. This could allow batches of certified animals to be sold to buyers through electronic auction.

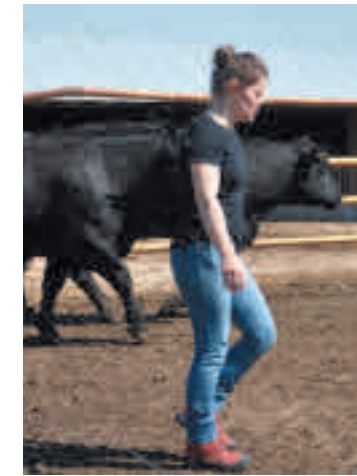
Feeder calf producers' promotion and publicity fund

In 2022, the feeder calf sector formed a partnership to produce a television show that will air in spring 2023. Meanwhile, the feeder calf producers' on-farm meat sales directory got a makeover with a new name (Boeufdici.com) and logo. To be able to participate in more projects, the CMMVE decided to once again start collecting a special contribution of \$0.50 per feeder calf sold to be put towards this fund starting January 1, 2023.

Priorities for 2023

- Continuing to implement the beef sector strategic plan
- Implementing the breeding herd vaccination protocol for feeder calves sold through the Circuit
- Continuously improving the Circuit
- Increasing the number of feeder calves recognized as sustainable beef
- Conducting sales through electronic auctions

See pages 12 to 16 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.



FED CATTLE SECTOR

PROGRESS IN 2022

Regulation on Quebec beef cattle marketing

In the course of the last year, the *Règlement sur la mise en marché des bouvillons du Québec* (Quebec beef cattle marketing regulation) received an overhaul. Following another approval at a special general meeting for fed cattle producers set to take place in March 2023, the text will be resubmitted to the RMAAQ for approval. Discussions are also taking place with the various buyers with a view to reaching an agreement in keeping with this regulatory overhaul.

Exports to the United States

In fall 2022, the United States once again became an interesting market opportunity for producers. While some transport-related constraints persist, PBQ staff negotiated favourable conditions for selling Quebec animals in the United States.

Priorities for 2023

- Continuing to implement the beef sector strategic plan
- Implementing a Quebec beef promotion support strategy
- Implementing a VBP+ strategy for Quebec fed cattle
- Bringing the amended *Règlement sur la mise en marché des bouvillons du Québec* into force
- Adapting the fed cattle sales agency to the new needs and realities of the sector

See pages 17 to 21 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.



MILK-FED VEAL SECTOR

PROGRESS IN 2022

Developing a tool for assessing abomasal lesions in milk-fed veal calves

The purpose of this pilot study was to observe the prevalence of abomasal lesions and establish a notation system for them. The results of the study support the undertaking of a second research component aimed at understanding what causes such lesions and determining what management practices can be used to reduce their incidence.

Priorities for 2023

- Launch the second component of the project on abomasal lesions in milk-fed veal
- Launch the RegiVeau mobile app

See pages 28 to 30 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.



ISSUES COMMON TO BOTH THE MILK-FED AND THE GRAIN-FED VEAL SECTORS

Biosecurity training

In September, the PBQ held an on-farm biosecurity training day in an effort to improve the on-farm health and handling of calves to ultimately reduce the number of partial condemnations at slaughter. This event was made possible thanks to financial support given under the Canadian Agricultural Partnership.

Priorities for 2023

- Continuing to implement the veal sector strategic plan
- Working with the Canadian Veal Association and the federal working group on competitiveness in the veal sector
- Continuing collaborative work to improve the health of milk-fed veal calves
- Rolling out the 2023 promotional plan

Promotion and market development

Thanks to a collaboration with Aliments du Québec, Famille Fontaine, and Pommes Qualité Québec, a promotional campaign with the Quebec Veal gourmet food truck took place. Tastings were held in 11 Metro grocery stores scattered across multiple regions during spring and summer. Under the Programme de développement des marchés bioalimentaires (bio-food market development program), the MAPAQ provided financial assistance to promote Quebec Veal from December 2020 to December 2023. Various promotional activities took place throughout the year in various newsletters, web platforms, social media, and magazines. The milk-fed veal marketing committee asked the grain-fed veal sector to renew the promotion agreement on managing the promotion of milk-fed veal and its portion of Quebec Veal.

See pages 24 to 27 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.



GRAIN-FED VEAL SECTOR

PROGRESS IN 2022

2022 webinar

The PBQ organized a webinar on risk management and grain purchasing during period of high prices. This initiative took the place of the Journée INPACQ for grain-fed veal.

2021 group analysis

This year saw 13 participants in the group analysis, a techno-economic analysis of the financial results of businesses that allows producers to compare operating costs.

Production histories

A total of 8,770 grain-fed veal calves were allocated to producers through three supplementary production history allocation projects.

Priorities for 2023

- Reaching an agreement with grain-fed veal calf buyers as part of the marketing overhaul
- Getting the *Règlement sur la production et la mise en marché des veaux de grain* (grain-fed veal calf production and marketing regulation) approved by producers and submitting it to the RMAAQ
- Undertaking the regulatory work needed to implement a Canada-wide grading system

See pages 31 to 35 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.



CULL CATTLE AND BOB CALF SECTOR

PROGRESS IN 2022

Strategic thinking

A strategic thinking process on cull cattle market development was undertaken. The PBQ received advice from a strategy and marketing consulting company that specializes in the Quebec agri-food sector.

Addendum to cull cattle and bob calf sale agreement

An addendum to the *Convention aux fins de la vente de bovins de réforme et de veaux laitiers – 2014* (cull cattle and bob calf sale agreement – 2014) was re-signed with both auction associations and will remain in effect for three years. The addendum deals primarily with biosecurity, displays in sales arenas, and service fees.

Move-out register

The PBQ, working in collaboration with the different Quebec auctions, produced registers that enable transporters to comply with Part XII of the *Health of Animals Regulations*.

Priorities for 2023

- Continuing to implement the strategic plan for the beef and veal sectors
- Promoting good bob calf care practices
- Assessing the opportunity of developing a Holstein finishing sector in Quebec
- Increasing the supply of cross calves for finishing as heavy calves
- Developing new markets for cull cattle

See pages 36 to 40 of the RAGM document at <https://cutt.ly/agrbovins2023> for details.

