

# FEEDER CALF PRODUCERS WORKSHOP

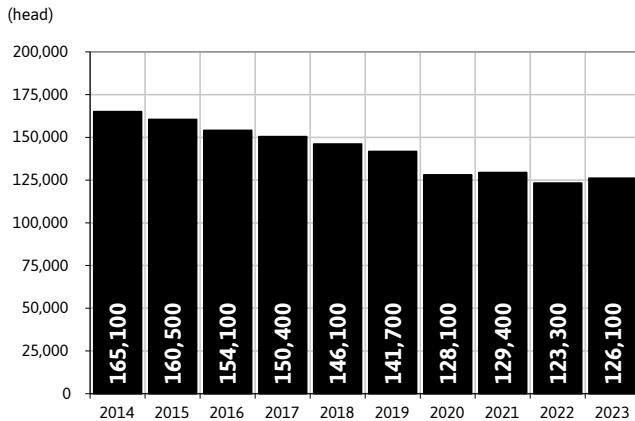
## Draft Agenda

- 1. STATE OF THE MARKET IN 2023**
- 2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE FEEDER CALF SECTOR IN 2023**
  - 2.1 Quebec Specialized Feeder Calf Auctions Circuit**
  - 2.2 Marketing options**
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- 3. SECTOR ORIENTATIONS FOR 2024**
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## 1. STATE OF THE MARKET IN 2023

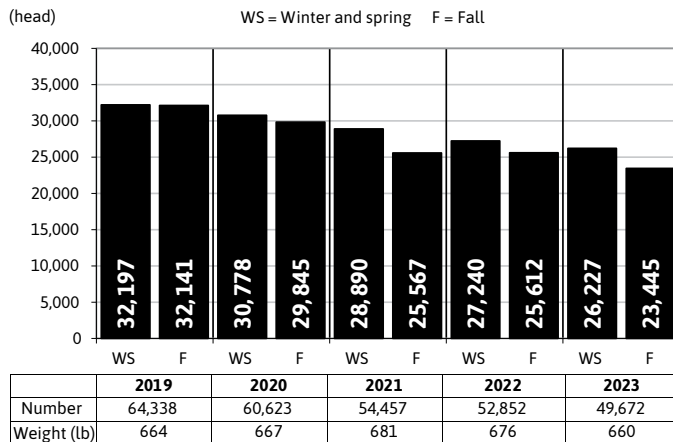
**Figure 1: Number of beef cattle in inventory, 10 years**



Source:  
 • Statistics Canada: Table 32-10-0130-01 Number of cattle, by class and farm type (x 1,000), at January 1

According to Statistics Canada, the number of beef cattle in inventory on January 1, 2023, was 126,100 compared to 123,300 a year prior on January 1, 2022. This 2,800-cow increase marks a 2% growth in inventory. Since January 1, 2020, the volume of beef cattle in inventory in Quebec has remained relatively stable.

**Figure 2: Feeder calves sold in specialized Quebec auctions, 2019-2023 (seasonal and annual volumes and average weight)**



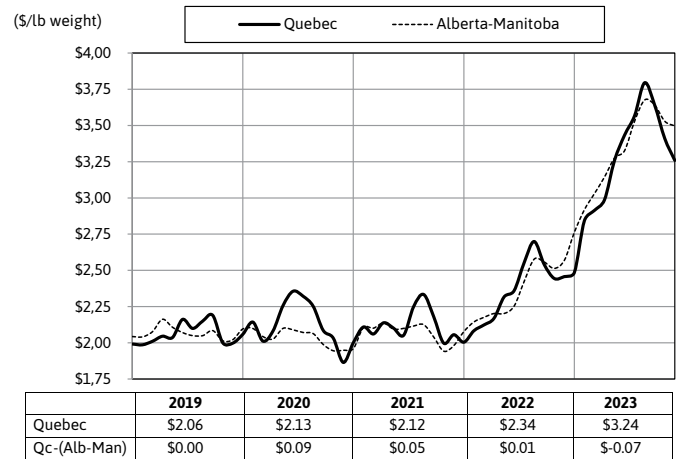
Source:  
 • PBQ: Number and average weight of feeder calf sales in specialized Quebec auctions

In 2023, the number of calves put to market in specialized auctions fell by 6% compared to 2022. The average selling weight of feeder calves fell to 660 lb, compared to 676 lb in 2022.

In 2023, the number of feeder calves sold in regular auctions fell to 4,889 (compared to the 4,914 sold in 2022).

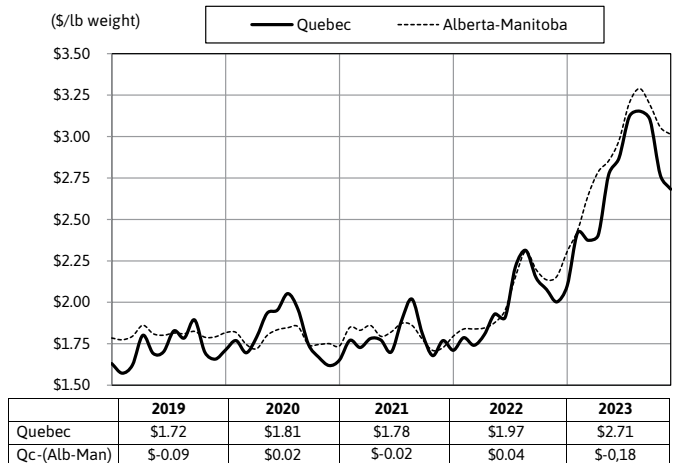
The volume of feeder calves put to market in 2023 through supervised sales, however, rose by 22% compared to 2022, with 3,905 sold in 2023 compared to 3,058 in 2022.

**Figure 3: Price of 600-700 lb male feeder calves (Quebec versus Alberta-Manitoba)**



Sources:  
 • PBQ: Average price of 600 lb to 700 lb male feeder calves sold in specialized auctions in Quebec  
 • Canfax: Average price of 600 lb to 700 lb male feeder calves sold in public auctions in Alberta and Manitoba

**Figure 4: Price of 600-700 lb female feeder calves (Quebec versus Alberta-Manitoba)**



Sources:  
 • PBQ: Average price of 600 to 700 lb female feeder calves sold in specialized auctions in Quebec  
 • Canfax: Average price of 600 to 700 lb female feeder calves sold in public auctions in Alberta and Manitoba

Average prices rose by \$0.90/lb for males and \$0.74/lb for females in 2023 compared to 2022.

In 2023, the average price differential between Quebec and Western Canada was -\$0.07/lb for 600 to 700 lb male calves and -\$0.18/lb for female calves of the same weight category.

# FEEDER CALF

**Figure 5: Price of male and female feeder calves by weight category, 2023**

Weight (lb)	450	550	650	750	850
Price of males (\$/lb)	\$3.23	\$3.39	\$3.27	\$3.10	\$2.83
Revenues from males (head)	\$1,452	\$1,864	\$2,126	\$2,326	\$2,406
Price of females (\$/lb)	\$2.74	\$2.81	\$2.73	\$2.54	\$2.21
Revenues from females (head)	\$1,234	\$1,547	\$1,771	\$1,908	\$1,880

Males: Average weight of 666 lb and average revenue of \$2,133/head  
 Females: Average weight of 643 lb and average revenue of \$1,723/head

Source:

- PBQ: Average price of male and female feeder calves, per weight category, sold in specialized auctions in Quebec

In 2023, the annual average price of castrated 600 lb to 700 lb males was \$3.27/lb with an average revenue of \$2,126/head. This is a significant increase compared to 2022.

The annual average price of 600 lb to 700 lb females was \$2.73/lb with an average revenue of \$1,771/head, again a significant increase compared to 2022.

## 2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE FEEDER CALF SECTOR IN 2023

### 2.1 QUEBEC SPECIALIZED FEEDER CALF AUCTIONS CIRCUIT

The number of sales for the 2023-2024 season in Quebec specialized feeder calf auctions circuit (*Circuit des encans spécialisés de veaux d'embouche du Québec*, or «Circuit») remains the same as the previous season. The Circuit's partners deemed it appropriate to roll forward last year's adjustments, which explains the minor changes brought to the current season's calendar.

Since August 1, 2023, all feeder calves put to market on the Circuit must come from a breeder herd that is vaccinated for fetal protection. This significant new measure was met with the following actions by the selling agency:

- Transitional support and guidance for producers;
- Sample collections in specialized auctions.

Personnel from the selling agency was on site for the season's first auctions to ensure that the vaccination declaration forms were correctly filled out and that documented proof (copies of vaccine purchase receipts) was duly submitted. During fall 2023, the selling agency followed up with any producers whose paperwork was incomplete.

The feeder calf marketing committee (CMMVE) set aside a budget to ensure the breeder herd fetal protection vaccine protocol is being followed. Tissue samples collected from calves' ears were used to make this verification. Tissue was collected either a day prior to, or the morning of, the sale.

Specialized auctions held in Saint-Isidore's Réseau Encans Québec installation are expected to be livestreamed on the Quebec feeder calf producers' extranet during winter-spring 2024.

### 2.2 MARKETING OPTIONS

In 2022, the selling agency performed an analysis of the different diversified feeder calves marketing options for producers based in Quebec. The CMMVE and the selling agency continued to work in view of implementing these new marketing options.

#### Electronic Auctions

In 2022, the CMMVE determined that electronic auctions could offer transparent price setting and chose to make it a fully marketing option. Regulatory amendments were made to allow maximum flexibility in meeting the needs of sellers and buyers and to offer sellers guarantee of payment.

On April 24, 2023, the provincial agricultural and food markets agency (*Régie des marchés agricoles et alimentaires du Québec*, or RMAAQ) approved an amendment to the *Règlement sur la production et la mise en marché des veaux d'embouche* which folds electronic auctions into the regulatory framework. This regulatory amendment was published in the Government of Quebec's official journal, *Gazette officielle du Québec*, on May 17, 2023.

On June 27, 2023, the RMAAQ approved an amendment to the *Règlement sur la garantie de responsabilité financière des acheteurs de veaux d'embouche* that allows fed cattle producers to use authorization numbers to buy feeder calves in electronic auctions. This amendment was published in the *Gazette officielle du Québec* on July 12, 2023.

Alongside these changes, the CMMVE established financing to develop and adapt a Live Auctions Group platform in partnership with The Electronic Auction Market.

Thanks to adapted in-house software, the selling agency can now lead electronic auctions of feeder calves and ensure that:

- Guarantees of payment are properly applied;
- Buyers are invoiced;
- Producers are paid;
- Statistics are collected.

Originally, electronic auctions were strictly for VBP+-certified feeder calf operations. The aim had been to synchronize things as best as possible in an effort to increase the number of calves that could be certified as sustainable. In keeping this with aim, and to meet the ongoing supply needs of fed cattle producers, the selling agency tried to hold a first electronic auction in July 2023. A second attempt was made on October 3, 2023, to meet the fall's high demand for feeder calves. Unfortunately, in both cases, not enough calves from VBP+-certified operations were registered and both auctions failed to meet the required 200-calf volume minimum.

To maximize the success of electronic auctions, the CMMVE chose to open them to all sellers able to constitute lots that meet the main eligibility requirements, which are:

- Display of the operation's name;
- Lots with 10 calves of the same sex with a maximum weight variance of 100 lb;
- Calves that are dehorned and male calves that are castrated.

### Putting fed cattle to market

Local slaughterhouses have signalled their interest in a supply of cattle born and fed within a single operation.

To help better understand the conditions tied to what slaughterhouses seek, feeder calf producers looking to put to market fed cattle were invited to an information session on the evening of March 16, 2023, in Drummondville. A total of 35 feeder calf producers were in attendance and obtained information about:

- Services offered to producers by the fed cattle selling agency, presented by PBQ Director of Operations Yannick Sauvé;
- Slaughterhouse needs and purchase conditions presented by Viande Richelieu's Director of Production Stéphane Bernier.

Sauvé also gave a talk in the Abitibi-Temiscamingue region on April 12, 2023, to help raise awareness among feeder calf producers about calf finishing options.

The presentation about the fed cattle selling agency's services for producers will be made available to view and download on the feeder calf producers' extranet site.

## 2.3 INCREASE IN THE NUMBER OF FEEDER CALVES ELIGIBLE AS SUSTAINABLE BEEF

In 2023, thanks to new VBP+ certified operations raising 2,500 head, the total number of feeder calves from certified operations rose to 17,422, a 15% increase compared to 2022. Recruitment campaigns will continue to be led actively in 2024. A summary of 2023's VBP+ activities are provided in the Quality Programs and Sustainable Beef Program section of the 2023 Activities portion of this document. Request any additional information by writing to pbqcertification@upa.qc.ca.

## 2.4 STRATEGIC PLANNING FOR THE BEEF SECTOR

Mario Hébert, Beef Sector Strategic Planning Coordination Agent, pursued the ongoing work in tandem with the members of the steering committee.

Four areas of work were outlined by representatives from across the sector:

- Stabilization of production and slaughterhouse processing;
- Development of a Sustainable Beef sector;
- Deployment and promotion of a brand image;
- Coordination and value chain.

Work is progressing and solid collaboration in ongoing.

In view of extending the mandate of the Beef Sector Strategic Planning Coordination Agent, a request for funding was submitted to the Quebec Ministry of Agriculture, Fisheries and Food (MAPAQ)'s 2023-2026 territorial and sectoral development program (*Programme de développement territorial et sectoriel 2023 2026, or «PDTs»*).

One of the main areas of work in 2024 will involve an analysis of the Coordination and value chain area. A request for funding was also submitted to the PDTs for this area of work.

## 2.5 PROMOTION AND ADVERTISING FUND FOR QUEBEC FEEDER CALF PRODUCERS

The 8th season of the TV series *Arrive en campagne* featured an episode on the production of feeder calves that was aired on May 17, 2023. A portion of funds will also help finance a portion of expenses associated with the deployment of Bœuf du Québec collective certification mark.

## 3. SECTOR ORIENTATIONS FOR 2024

### 3.1 QUEBEC'S SPECIALIZED FEEDER CALF AUCTIONS CIRCUIT

The selling agency will continue to guide feeder calf producers through the new requirement surrounding the fetal protection vaccination of breeding herds. Any producers whose paperwork is incomplete will be contacted before the end of the 2023-2024 season.

Starting in the 2024-2025 season, only feeder calves born from a breeder herd vaccinated for fetal protection or whose producers underwent a compliance process will be accepted in specialized auctions. Feeder calves that do not meet these requirements will have to be put to market through other venues.

# FEEDER CALF

## 3.2 MARKETING OPTIONS

In the coming months, the selling agency will pursue its work on electronic auctions with the goal of increasing the number of producers using it to put feeder calves to market. Work on the finishing of feeder calves will also continue in collaboration with the fed cattle selling agency.

An information session on the production of fed cattle is planned on March 14, 2024, at Hôtel et Suites Le Dauphin in Drummondville. Feeder calf producers looking to fatten finished cattle will have an opportunity to:

- Attend a panel discussion between cattle breeders and finishers and other sector players;
- Obtain info sheets to help guide their production and marketing of this product.

Info sheets on feeder calves will be made available on the feeder calf producers' extranet site.

## 4. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR ALTERNATE

### 4.1 ELIGIBILITY REQUIREMENTS

- Be in production at the time of their appointment;
- Reside or have an operation within the group's territory as outlined by the Joint Plan (*Plan conjoint des producteurs de bovins du Québec*);
- Be registered in the Joint Plan's feeder calf category;

- Having owned, on average throughout the year, at least 25 beef cows or otherwise having raised (on their own or another's behalf) or having produced and put to market for the purposes of fattening at least 25 feeder calves, including semi-finished feeder calves;
- In the case of a corporate body or corporation, the individual person receiving the mandate must also:
  - Be active in the cattle operation other than as a funder;
  - Hold at least 20% of its capital stock or issued shares;
  - Sit on its board of directors, if applicable, and having voting rights;
- Have paid the contributions outlined by the Joint Plan or, failing such, having taken legal action to contest them within 30 days of their invoice.

Should no such producer having owned, on average throughout the year, at least 25 beef cows or otherwise having raised (on their own or another's behalf) or having produced and put to market for the purposes of fattening at least 25 feeder calves, including semi-finished feeder calves, nominate themselves as a candidate, a feeder calf producer meeting all eligibility criteria other than those pertaining to volume can be eligible to serve as a member (or alternate) of the marketing committee as an observer, that is, with speaking rights but no voting rights.

## 5. OTHER BUSINESS (AS APPLICABLE)

