



50 YEARS

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of producers groups covered
by the *Quebec cattle producer's Joint Plan*

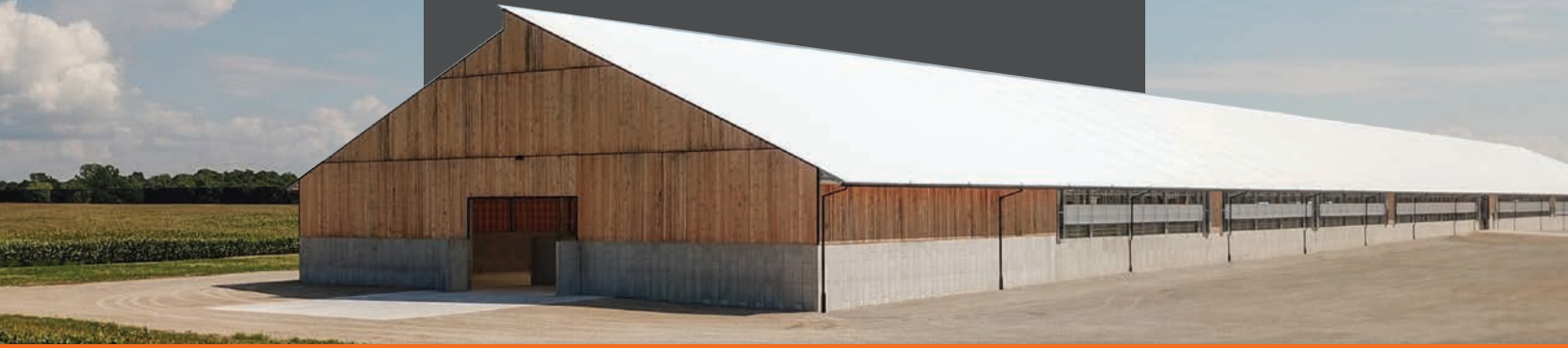
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CONTENT

SECTION 1 ACTIVITIES IN 2024

1. MARKET	5
2. INCOME SECURITY	6
3. PUBLIC AND GOVERNMENTAL RELATIONS	7
4. NATIONAL LEVEL ENGAGEMENT	7
5. ANIMAL WELFARE AND THE ENVIRONMENT	7
6. QUALITY PROGRAMS	8
7. COMMUNICATIONS AND UNION NEWS	9
8. RESEARCH INITIATIVES	10
9. STRATEGIC PLANNING ACTIVITIES	10
10. ORGANIZATIONAL STRUCTURE	10

SECTION 2

CONSULTATION ON A SUPPORT PROGRAM FOR GROWTH COMPANIES BASED ON A GIVEN YEAR (2024)	12
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SECTION 3 ACTIVITÉS DE MISE EN MARCHÉ EN 2024

FEEDER CALF PRODUCERS WORKSHOP	15
FED CATTLE PRODUCERS WORKSHOP	19
MILK-FED VEAL PRODUCERS WORKSHOP	27
GRAIN-FED VEAL PRODUCERS WORKSHOP	31
CULL CATTLE AND DAIRY CALF PRODUCERS WORKSHOP	37

SECTION 1

ACTIVITIES IN 2024



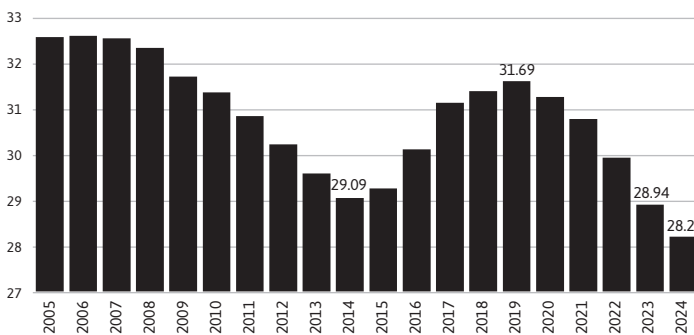
1. MARKET

The downward trend in North American beef cattle inventory, ongoing since 2019, continued in 2024 reaching a historic low of 28,223 million head as of January 1, 2024. This represents a 2.5% drop in inventory compared to 2023. Based on statistics from the USDA (United States Department of Agriculture), this represents 3,468 million fewer cows compared to 2019.

As of January 1, 2024, Statistics Canada reported a total inventory of 3.42 million beef cows, representing a 3% and 7% drop compared to 2023 and 2019 respectively.

Market signals firmly point to an expansion with the price of calves reaching record levels alongside promising profitability potential for producers. The increase in heifer retention and increasingly strict culling could continue to tighten supply over the next one to two years before driving a more pronounced recovery in calf production as early as 2026.

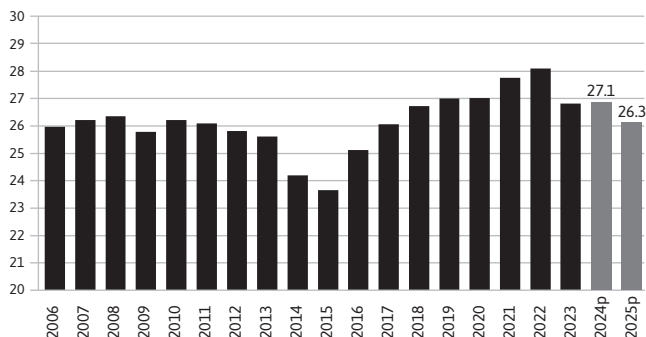
Figure 1. Beef cow inventory in the US (in millions of head)



Source: USDA

The downturn in meat production seen in the US in 2023 should level out in 2024 and 2025, with total pounds of meat ranging from 26.3 to 27.1 billion. In Canada, ten months into 2024, culling was down by 4.9% which should translate to the culling of less than 3 million head by year end. This contraction of supply may sustain seller-side leverage.

Figure 2. US beef production (in millions of lb)



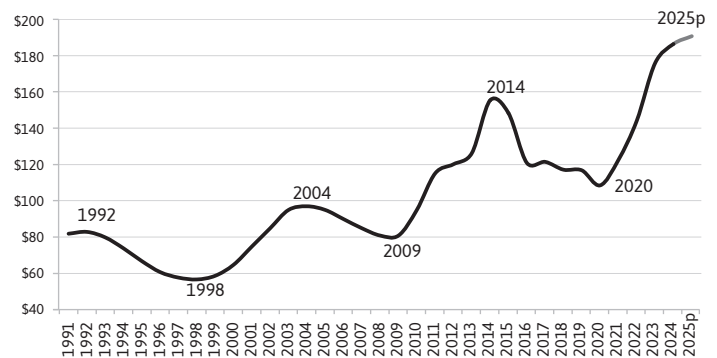
Sources: USDA and WASDE

Demand for beef remains strong despite record prices which reflect consumer preference and the quality of beef being produced. Economic factors have improved and should continue to do so, but inflation and unemployment

remain key indicators to watch. Stable demand combined with weaker supply support cattle and beef prices which are expected to remain stable in 2025, with potential for a slight increase.

In terms of tonnage, US beef exports are expected to be down by 2% to 3% by the end of 2024, though export values remain high. A similar 3% drop is expected in 2025 though countered by an expected 10% rise in US imports.

Figure 3. US fed cattle price cycle (\$US/100 lb lwt)



Source: Cattlefax

Fed Cattle

Fed cattle prices stood between US\$182 and US\$195/100 lb lwt until the end of 2024, with an average price of US\$185/100 lb lwt. The average price in 2025 should rise to US\$190/100 lb lwt. In 2024, despite record prices and a relatively low cost of grains, feeder cattle raisers saw limited profitability due to the higher purchase price of calves.

Feeder Calves

Compared to 2023, US supply of feeder calves dropped in 2024 by 700,000 head. This drop in the supply of calves will lead to an increase in their price in 2025.

Cull Cattle

Since the start of the year, the volume of cull cattle sent to slaughter fell by more than 500,000 head. The market has maintained itself thanks to a shortage in supply and a high demand for lean ground beef. Price expectations for 2025 are on the rise.

Grain-Fed Calves

In 2024, grain-fed calf production rose by 5% compared to 2023 production levels and should end the year at 75,000 calves. The average carcass weight comes in at 390 lb, a 1 lb increase compared to the previous year. The price of grain-fed calves rose in 2024 with an average price of \$4.25/lb meat weight. In Ontario, price at auction was \$4.30/lb meat weight and the direct sale to abattoir price was \$4.38/lb meat weight.

Milk-Fed Calves

US milk-fed calf production dropped by 10.6% compared to 2023, which should translate to a total of 127,211 head.

Canadian imports of veal meat rose by 12% compared to 2023, whereas exports rose slightly less, by 1.8%.

ACTIVITIES IN 2024

The price of milk-fed calves on the US market rose consistently throughout 2024 and should come in at approximately \$6.30/lb (US price adjusted for the Quebec market).

Summary

According to 2024 trends, an expansion in production is likely. The exact timing and form it will take remains to be seen. Inventory and supply trends indicate that significant decreases in price are not foreseeable before a number of years yet. Over the last cycle, beef replacement inventory began rising in 2012, yet levels recorded at the start of 2024 were at a historic low. Several years of accrued heifer retention will be needed to significantly increase feeder calf, and subsequently fed cattle, supply.

These conditions have favoured producers with their share of the retail price rising from 46% in 2023 to 52% in 2024.

2. INCOME SECURITY

Income security programs are designed to maintain business revenues and help producers in periods when the market bottoms. A more stable and predictable business environment provides the right conditions for them to pursue their activities and better develop their operations and contribute positively to Quebec's economy as a whole.

MAIN INITIATIVES IN 2024

2023 Cost Study of Grain-Fed Veal Sector Production

PBQ (Producteurs de bovins du Québec) representatives participated in a sectoral working committee initiated by the provincial research centre on agricultural production costs (*Centre d'études sur les coûts de production en agriculture*, or CECPA) alongside representatives from FADQ (*La Financière agricole du Québec*) and Quebec's department of agriculture, fisheries and food (MAPAQ). This committee's mandate was to:

- Follow the steps involved in conducting a production cost study;
- Serve in an advisory capacity for any ad hoc methodological adjustments needed to meet particular specifications;
- Ensure that studies are carried out in accordance with applicable guidelines;
- Follow up with organizations involved in conducting the study.

Large Businesses in the Grain-Fed Veal Sector

In March 2024, members of the Grain-Fed Veal Marketing Committee (known internally as the CMMVG) expressed their support for the establishment of a premium in the application of the grain-fed veal model effective January 2025. FADQ arrived at the same conclusion and confirmed, on November 8, 2024, that a premium would be applied to the Grain-Fed Veal product starting in 2025.

The method through which the premium is to be established is undergoing discussion and analysis.

ASRA Program Contribution Calculations for Feeder Calves

The Feeder Calf Marketing Committee has asked FADQ to amend the premium calculation formula for the Feeder Calf product to keep it in line with one third of gross compensation.

This request is supported by the fact that ASRA (the Farm Income Stabilization Program) has historically, and almost yearly, had to pay out compensations for market losses in the feeder calf sector. What's more, in light of the downward trend in production, premiums that are to make up for any insurance fund deficits are paid strictly by producers staying in production and producers new to production. A systematic contribution equal to one third of gross compensation would ultimately offer farm operations some business environment predictability.

Revitalization Efforts for Quebec Fed Cattle Production

Despite having raised the issue of revitalizing provincial production of fed cattle several times with representatives from different levels of government, no notable progress has been made.

At the request of government representatives, the Fed Cattle Production Cost Committee studied existing assistance programs but were unable to identify any existing format that could meet the needs of this sector. The Advanced Payments Program's revised interest-free maximum amount did, however, help the sector.

Advanced Payments Program

The PBQ, on behalf of the grain-fed and milk-fed veal sales agencies, requested that advance rates be revised to more accurately reflect the anticipated value of these products. The rationale presented by the PBQ resulted in the following advance rate increases:

PRODUCT	Original Rate	Revised Rate	Increase	
	\$/head	\$/head	\$/head	%
Grain-fed calves	489.36	689.91	200.55	41
Milk-fed calves	583.94	807.04	223.10	38
Weaned calves	229.64	332.71	103.07	45

PRIORITY ACTIONS FOR 2025

In the coming year, the PBQ will be focused on the following priority issues:

- Continue to raise awareness among different stakeholders about the challenges facing the fed cattle sector in an effort to revitalize production;
- Take part in the work in setting the premium for large businesses in the grain-fed veal sector;
- Continue ongoing efforts to amend the ASRA Program contribution formula for the Feeder Calf product.

In conjunction with the UPA (*Union des producteurs agricoles*) and the ASRA coordination committee:

- Demand a more equitable formula in calculating admissible amounts used across AGRI programs in an effort to resolve the issue of rollover amounts, problematic for new producers, growth companies, and large operations exceeding the Agri-investissement program's \$10,000 ceiling;
- Move forward on demands to update the farm operator remuneration formula;
- Revise the methodology for short-term interest and medium-and long-term interest indexation formulas used in the ASRA models.

3. PUBLIC AND GOVERNMENTAL RELATIONS

One of the highlights of 2024 was the launch of the latest environmental assessment of Canadian beef production by the Canadian Roundtable for Sustainable Beef (<https://crsb.ca>). New data on water consumption and greenhouse gas emissions were used to produce the second edition of *Fact Versus Fiction*. Just over four years after its first edition, this revised and expanded booklet aims to understand the main criticisms surrounding cattle and veal production in an effort to better respond to them. Digital versions are available in [English](#) and [French](#)



On another note, progress made by the industry allowed us to update two videos available online at <https://lesfaitsboeuf.com> (available in French).

In the fall of 2024, an [editorial advertising piece featuring a true-or-false quiz](#) was published in the XTRA section of *La Presse+*. The piece allowed readers to test their knowledge about beef production.



On the governmental relations front, the PBQ and the representatives of MAPAQ's agri-food sectors development office continued to hold meetings regularly. Holding these regular meetings was a joint initiative established in 2021 that has allowed for ongoing dialogue and engagement about important governmental-level matters pertaining to cattle and calf producers.

At the federal level, the PBQ continues to participate formally in the Canadian Cattle Association which works to expand the industry's lobbying efforts on a variety of issues before the Canadian government.

4. NATIONAL LEVEL ENGAGEMENT

The PBQ formally engages with a number of Canadian organizations, with the active participation of several of its board members:

- Agricultural Credit Corporation
- Canadian Cattle Association
- Canadian Cattle Identification Agency
- Canadian Beef and Cattle Research, Market Development and Promotion Agency
- Canadian Beef Grading Agency
- The Verified Beef Production Plus Program's national committee
- Beef Cattle Research Council
- Canadian Roundtable for Sustainable Beef
- Canadian Animal Protein Sector Engagement Table

Through the fed cattle, milk-fed veal, and grain-fed veal sales agencies, the PBQ also formally participates in the following organizations:

- National Cattle Feeders' Association
- Canadian Veal Association

5. ANIMAL WELFARE AND THE ENVIRONMENT

Beef Sector Biosafety Strategy

In 2022, the beef sector's biosafety committee, which includes members from PBQ and the provincial association of dairy producers (*Producteurs de lait du Québec*), identified the need to establish a common vision and orientation in order to concretely and efficiently pursue biosafety issues. In March 2023, following the endorsement of their respective boards, it was agreed to implement a beef sector biosafety strategy and develop a five-year action plan for 2025–2029.

The development of this strategy was completed in December 2024 and includes four main objectives:

- Secure buy-in from sector stakeholders;
- Promote the adoption of biosafety best practices;
- Introduce farm installation biosafety right at the design stage;
- Improve communications across the beef sector.

ACTIVITIES IN 2024

This project involves 34 key representatives from every segment of the beef sector, i.e., producers, transporters, auctions, farm-level consultants and agents, researchers, and government.

This new biosafety alliance initiative was named *Alliance biosécurité bovine du Québec*. Its name and logo will be featured on all documents and tools developed as part of the action plan in an effort to convey collective engagement towards improved and sustainable biosafety in the beef sector.



Modernization of the REA and PBQ Involvement

The Agricultural Operations Regulation (*Règlement sur les exploitations agricoles*, or REA) has remained unchanged since its adoption in 2002. In collaboration with the MAPAQ and the provincial Ministry of Municipal Affairs and Housing, the Quebec Ministry of the Environment, the Fight Against Climate Change, Wildlife and Parks (MELCCFP) has moved to modernize it.

In 2023, the MELCCFP consulted different organizations impacted by the REA through an online survey to help identify the most important issues. It then organized co-creation workshops to which organizations were invited to discuss specific aspects of the REA and, in fall 2024, technical committees were created to tackle some of its detailed aspects.

The PBQ took part in the online survey, the co-creation workshops, and the committee on airtight and non-airtight manure stockpiling to ensure that the interests of producers are upheld in the new REA.

Following these deliberations, the MELCCFP will develop a new REA. Its publication is expected in 2026.

Biodiversity in Beef Production Program

The PBQ received MAPAQ funding through the *Prime-Vert* program, which is offered as part of the province's sustainable agriculture plan (*Plan d'agriculture durable*) and designed to help train and support beef producers in implementing practices that support wildlife habitats (notably for field birds and pollinating birds) while also improving biodiversity on their farmlands.

Between 2022 and 2024, 16 knowledge translation activities were organized among beef producers. Three testimonial videos were also produced (in French) and are available in the [Biodiversity section of the PBQ website](#).



This project allowed us to showcase committed producers whose engagement can serve to inspire their peers. It also helped connect project participants with biodiversity interest groups that got an opportunity to learn about the agricultural sector. These connections nicely set the table for future collaborations.

6. QUALITY PROGRAMS

Certified Quebec Grain-fed Calf Program

The certified Quebec grain-fed calf program (*Veau de grain du Québec certifié*) is required for Québec-based operators wishing to produce grain-fed calves for market. It encapsulates the Canadian Verified Veal program, an on-farm food safety program for veal producers, and features additional requirements relating to how young calves are selected and fed and requirements tied to the breeding site and animal welfare.

Verified Veal Program

The Verified Veal Program covers the production of milk-fed calves. As of November 12, 2024, a total of 60 Verified Veal-only sites were in operation, representing 81% of the province's production volume. Two fewer Verified-Veal-only sites were in operation than in 2022.

Verified Beef Production Plus and Canadian Roundtable for Sustainable Beef Programs

The Verified Beef Production Plus (VBP+) and Canadian Roundtable for Sustainable Beef programs cover fed cattle and cow-calf production. As of November 12, 2024, 160 producers were certified by both programs.

Production	Number of head from VBP+-certified and CRSB-certified operations*
Cow-Calf	17,503 (+2% 2024/2023)
Fed Cattle (capacity)	42,620 (+11% 2024/2023)

* More than 70 renewal audits took place in 2024, making it a busy year. Producers having chosen not to seek out VBP+/CRSB certifications are those who unfortunately chose to abandon production.

In 2024, Quebec's VBP+/CRSB team led a hockey-themed promotional campaign entitled *Ne niaisez plus avec la puck! C'est le temps de scorer!* (Stop messing around with the puck! Now's the time to score!). This campaign centred on recruitment and on showcasing the added value of becoming a VBP+/CRSB operation. It was also geared towards existing certified operations in an effort to value their work and efforts. Merck Animal Health took part and sponsored a draw for five custom VBP+ hockey jerseys. A VBP+/CRSB Hall of Fame was also created to showcase 15 certified farms that have been in operation for over a decade. All these campaign efforts were disseminated on the PBQ's and on VBP+ Inc.'s social media, in the *La Minute bovine* newsletter and the *Bovins du Québec* publication, as well as through regional activities. Follow the PBQ's Facebook page and subscribe to its YouTube channel for the latest on VBP+'s campaigns, activities, and more.

Five new prizes were also awarded to recognize outstanding operations. [Learn more about the 2023 winners](#) here or by scanning the QR code:



Sustainable Beef Program

The Canadian Roundtable on Sustainable Beef is the body that establishes criteria for sustainable beef. It has also developed a framework to implement a traceability program for cattle from VBP+/CRSB-certified farms, the goal being to guarantee sustainable beef supply along the value chain (cattle breeder producers, cattle feeder producers, abattoirs, retailers, the HRI sector, and grocers; see www.crsbcertified.ca).

The Sustainable Beef Program has financially rewarded nearly 160 producers whose cattle have been recognized as sustainable. An additional monetary sum tied to certification complements the Sustainable Beef Program. A total of approximately **\$225,000** has been awarded back to certified producers.

Additionally, Farm Credit Canada (FCC) continues to offer its sustainable practices incentives program for eligible VBP+/CRSB-certified clients. The amount of the incentive is calculated proportionally based on FCC loans, up to a maximum annual payout of \$2,000 (<https://cutt.ly/Sustainable-Practices-Program-FCC>).

Approximately 300 people attended the live webinar events with more than 500 registrants and over 730 YouTube views.

Scan the QR code below to view the 2024 presentations:



The Environmental Stewardship Award (TESA)

For the fourth year running, Quebec prepared a submission for The Environmental Stewardship Award. This prize is awarded to recognize leadership in conservation among beef cattle producers. The PBQ's selection committee nominated the Écobœuf operation to represent the province. The 2024 TESA was ultimately awarded to the Saskatchewan-based operation Holdanca Farms.

INNOVEAU Prize

The very first INNOVEAU Prize was awarded to Ferme MAGI SENC. This prize was created by PBQ to recognize excellence among veal cattle operations notably in improving production efficiency and adapting their operations to climate change. The winner was selected based on their operational management practices, achievements, and objectives.

Next Generation Grants

In 2024, the PBQ launched a grant program for the next generation of beef producers. The initiative's goal is to foster excellence and support the development of the beef and veal sectors. A total of two grants will be awarded in winter 2025 to graduating students demonstrating strong interest in beef production. The amount of the grant will be based on their level of study.

- \$1,250 (professional level)
- \$2,500 (college level)
- \$5,000 (university level)

The PBQ has also engaged in a one-year partnership with Fondation Agria to create two new \$1,000 scholarship grants for professional- and college-level students looking to make their way into the industry.

7. COMMUNICATIONS AND UNION NEWS

Quebec Cattle Industry Symposium

Representatives from the beef and veal sectors gathered on November 19, 2024, at the Lévis Centre des congrès for the 4th provincial cattle industry symposium (*Colloque de l'industrie bovine québécoise*) under the banner of *Préparer l'avenir* (Preparing the Future). The event attracted 200 attendees —an 8% increase from the 2023 event— and included producers, industry stakeholders, abattoir representatives, and suppliers. Two groups of animal production students were among this year's attendees thanks to the generous support of sponsors.

The PBQ served as sponsor and main organizer of the event. The organizational committee also included representatives from Montpak International, the provincial food processing council (*Conseil de la transformation alimentaire du Québec*), MAPAQ, Agriculture and Agri-Food Canada, and Zoetis.

Webinars

In 2024, the PBQ hosted six webinars produced for Quebec beef producers in collaboration with the VBP+ program. Webinars took on a wide number of topics, from pasture management and calf care to personnel management. [Webinars are available on the PBQ's YouTube channel.](#)

8. RESEARCH INITIATIVES

The PBQ invests in research through R&D funds from each production sector. An approximate total of \$400,000 in investments made by producers for 2023 through 2028 went to projects valued at \$12,442,000, representing a 1-to-31 leveraging effect.

ACTIVITIES IN 2024

Some of the ongoing projects include:

2024-2025	Veal Sector Life Cycle Analysis (milk-fed and grain-fed veal)	Assessing the current environmental performance of the veal sector as well as its strengths and weaknesses for the purpose of issuing recommendations towards improving its performance.	Total costs: \$123,015 PBQ: \$16,000
2024-2027	Characterization of antibiotic-resistant <i>E. coli</i> causing mortality among veal cattle in Quebec (milk-fed veal, grain-fed veal, fed cattle, feeder calf, cull cattle, and dairy calf)	Through genome-sequencing characterization of <i>E. coli</i> strains causing mortality among cattle, this project will guide the development of medium-term diagnostic and therapeutic solutions, such as PCR-based detection tests and a preventative vaccine.	Total costs: \$148,785 PBQ: \$35,052
2024-2027	Cattle for Climate, through sustainable and profitable practices (fed cattle and feeder calf)	This project will look at the applicability, efficiency, and farm management impacts of greenhouse gas emission reduction actions among participating operations.	Total costs: \$3.4 M PBQ: \$41,000
2023-2028	Beef Research Cluster (fed cattle, feeder calf and cull cattle, and dairy calf)	Six research initiatives on the Canadian beef industry focused on animal health and welfare, forage and grasslands, feed conversion, and the environment, with a special focus on Quebec.	Total costs: \$7,114,795 PBQ: \$150,000

9. STRATEGIC PLANNING ACTIVITIES

Since 2020, a five-year strategic plan has been in place for the beef and veal sectors. Along each sector's respective value chains, these plans help coordinate joint efforts towards securing the reputation of their products as sourced from environmentally responsible agricultural practices and as meeting the aspirations of consumers both here and elsewhere. Strategic planning promotes good communication and needs identification with the goal of achieving fair and equitable profitability across the entire pipeline.

Strategic activities tied to the 2020-2024 plan ended on December 31, 2024. Over the fall, the marketing committees of each sector met to review the outgoing plan and identify elements common to each sector of production in view of achieving better alignment across parts of the next five-year plan. Following these meetings, consultations with all veal and beef industry partners were led by a team of consultants from Forest Lavoie Conseil. This round of consultations helped in the development of a common vision about the orientations and initiatives to be embedded in 2025-2029 strategic planning.

Mario Hébert and Stephen Côté, strategic coordinators for the beef and veal sector, are tasked with facilitating the implementation of this strategic planning, work supported notably by funding from MAPAQ.

Over the last year, the veal sector's analysis of its life cycle and the classification of grain-fed veal carcasses were its two main projects. Partners inside the beef sector focused their efforts on a study about differentiated meat value chains and quality improvement for fed cattle carcasses. Further details about these projects will be presented in workshops offered by the sectors in question.

10. ORGANIZATIONAL STRUCTURE

The financing plan presented by the PBQ in winter 2024, designed to maintain current services and finance the organization until 2029, went into effect on November 1, 2024. The plan was approved by a majority of regions and producers in attendance at the annual regional meetings (AGRs) and at the PBQ's annual general meeting (AGM).

The consultation process included mention of an organizational structure analysis to assess potential opportunities for organizational optimization and cost savings. A motion outlining the overall steps and timelines for this initiative was put forward and passed at the AGM. A committee mandated to look at the organizational structure was established and met seven times in 2024. It made its first report to the board of directors on October 23, 2024. Its work will continue in 2025.

SECTION 2

CONSULTATION ON A SUPPORT PROGRAM FOR GROWTH COMPANIES BASED ON A GIVEN YEAR (2024)



CONSULTATION ON A SUPPORT PROGRAM FOR GROWTH COMPANIES BASED ON A GIVEN YEAR (2024)

1. BACKGROUND

The financing plan known as the PBQ's Joint Plan (*Plan conjoint des producteurs de bovins du Québec*) was duly approved and went into effect on November 1, 2024. This plan was designed to allow the PBQ to maintain all of its current services. It also enables the PBQ's ongoing advocacy work aimed at securing a dynamic and predictable business environment.

However, the plan was approved in the context of an inventory decrease in a number of sectors.

Seeing as one of the PBQ's objective is to see renewed growth in different cattle sectors, the organization looked into the types of measures that could help support strong renewed growth in cattle production.

2. PREMISE

Implement a support program specifically for growth companies to support operations already in production to allow them to increase the number of animals they put to market based on a given reference year, in this case 2024. The Program would provide financial assistance equivalent to a portion of the per-head contributions paid by growing companies once they exceed a specified volume.

This support program initiative is being proposed because:

- It has little impact on operations that will not experience growth;
- It has little impact on the financing plan currently in effect (PBQ's budget forecasts);
- It can be operationalized using different mechanisms already in use by the PBQ;
- It could be implemented starting in 2025;
- It provides leverage among our various partners, allowing them to make their own determinations about offering potential financial easing measures.

The **support program's main terms of reference** are:

- To foster growth and business environment predictability, the support program would be in place for a three-year period (2025 to 2027).
- The 2024 calendar year would be used as the reference year to calculate growth and would apply during all three years of the program.
- The program would be put into effect in 2025, presuming the approval of the RMAAQ (Régie des marchés agricoles et alimentaires du Québec).
- With the exception of cull cattle and dairy calf operations, growth would be calculated on a given operation's production volume without regard to the change in global inventory in a given production sector.

- Producers may apply for financial assistance equivalent to their per-head PBQ contributions, according to the eligibility criteria determined under the Program.
 - A claim period would be set, for instance, between May 1st and August 31st of the year following the claim year. A claim form would be made available on the PBQ's website.
- For cull cattle and dairy calf producers, growth would be determined based on the sector's total volume using 2024 as the reference year.
- Should the number of cull cattle put to market in 2025 be greater than in 2024, funding support for per-head contributions for the coming year would be based on the additional amounts levied stemming from this increase in volume. The same approach would be used for dairy calf calculations.

For **fed cattle, grain-fed veal, and milk-fed veal** operations, program eligibility criteria would be:

- Having been in production in 2024;
- Having produced and put to market at least 10 additional units during the claim year compared to 2024 for all similar operations in a given category;
- Fed cattle and grain-fed calves put to market in 2024 and paid for by the PBQ would serve as the reference volume to calculate the operation's growth;
- Milk-fed veal producers would supply proof of production based on the calculations in their Agri profile.

For **feeder calf** operations, program eligibility criteria would be:

- Having been in production in 2024;
- Owning at least 10 additional beef cows in the claim year compared to 2024 for all similar operations in a given category;
- Being insured under the Feeder calf category of the farm income stabilization insurance (*Programme d'assurance stabilisation des revenus agricoles*)

For the **cull cattle and dairy calf** sector, where it is not possible to reasonably establish production volumes for individual operations for 2024, the program would be applied as follows:

- It is proposed to use 2024 global volumes as the reference volume for both the cull cattle and dairy calf sectors.
- Financial support would be calculated as follows: (Total volume of cull cattle or dairy calves put to market during the calendar year in question MINUS Total volume of cull cattle or dairy calves put to market during the 2024 reference year) MULTIPLIED BY Contribution amount outlined in Article 2, Paragraph 1 of the *Règlement sur*

CONSULTATION ON A SUPPORT PROGRAM FOR GROWTH COMPANIES BASED ON A GIVEN YEAR (2024)

les contributions des producteurs de bovins DIVIDED BY Total volume of cull cattle or dairy calves put to market during the calendar year in question;

- Financial support would be deducted from each of a given producer's payable contributions.

The PBQ has initiated discussions with the UPA about a possible dues exemption on contribution instalments for each unit put to market throughout the program period.

Should the UPA decline to award this exemption, the amount payable to the UPA, as of August 1, 2025 —that is \$0.987 per production unit put to market for production volumes eligible under the proposed program— would be folded into the per-head base contributions levied on all producers as part of the PBQ's regulation on cattle producer contributions (*Règlement sur les contributions des producteurs de bovins du Québec*).

3. FINANCING THE SUPPORT PROGRAM FOR GROWTH COMPANIES

The support program would require the establishment of its own fund. Such a fund would be financed by the PBQ's general fund using a portion of per-head base contributions.

4. ESTABLISHMENT OF THE SUPPORT PROGRAM FOR GROWTH COMPANIES

The support program will first be established through the adoption by the PBQ Board of Directors of a new regulation following the approval of producers during a general meeting.

Such a regulation would outline the terms of the support program and establish a fund to finance the program's operation.

The adoption of this new regulation would involve the following steps:

- Development of the support program and its terms of reference by the Board of Directors;

- Endorsement of the program by each marketing committee;
- A plenary session consultation during each regional annual general meeting;
- Authorization to the PBQ from the delegates of the Joint Plan annual general meeting to:
 - Adopt the support program regulation; and
 - Use the per-head base contributions to finance the program's fund;
- Adoption of the support program's regulation by the Board of Directors;
- Submission of the regulations to the RMAAQ for approval.

5. INVOLVEMENT OF SALES AGENCIES

The following outlines the possible involvement of selling agencies should the support program be established:

- Receiving applications for the support program for growth companies requests;
- Validating the eligibility of requests per the terms of the support program's regulations (verifying product volume information against payments to abattoirs for the grain-fed veal and fed cattle sectors or verifying the number of insured breeding cattle for the feeder calf sector).

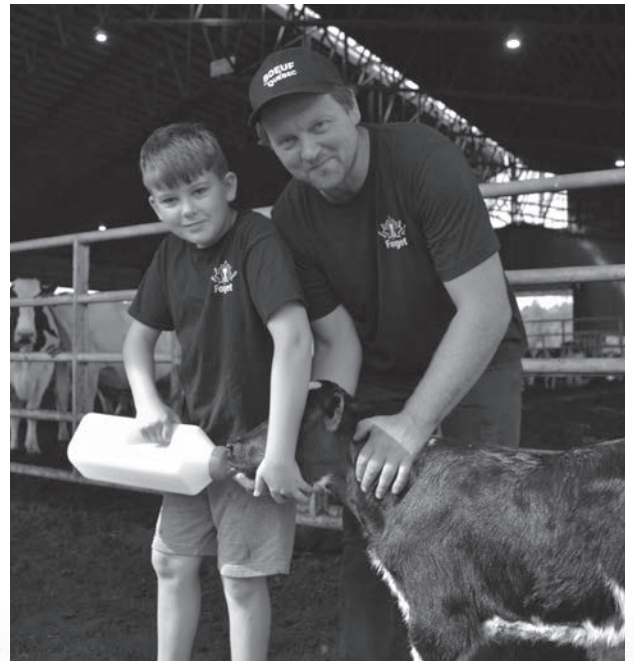
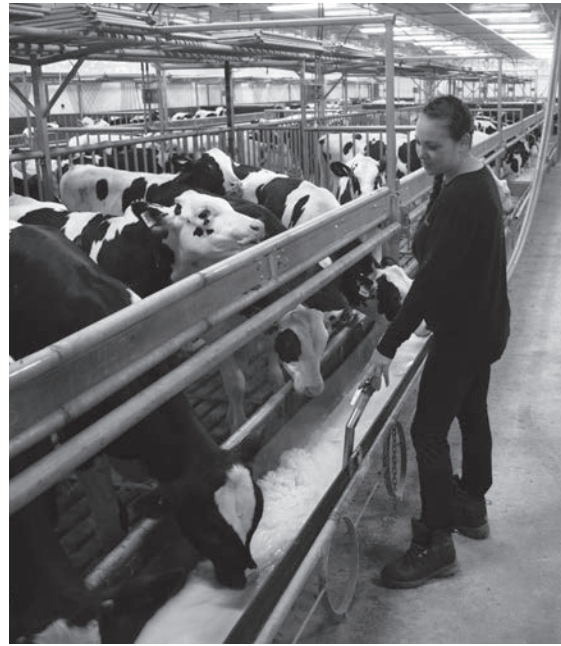
The accounting service would be responsible for processing requests.

6. QUESTION

Are you in favour of establishing a support program for growth companies based on the outlined framework and of using a per-head base contribution formula to finance the program through a designated fund?

SECTION 3

MARKET ACTIVITIES IN 2024



FEEDER CALF PRODUCERS WORKSHOP

Proposed Agenda

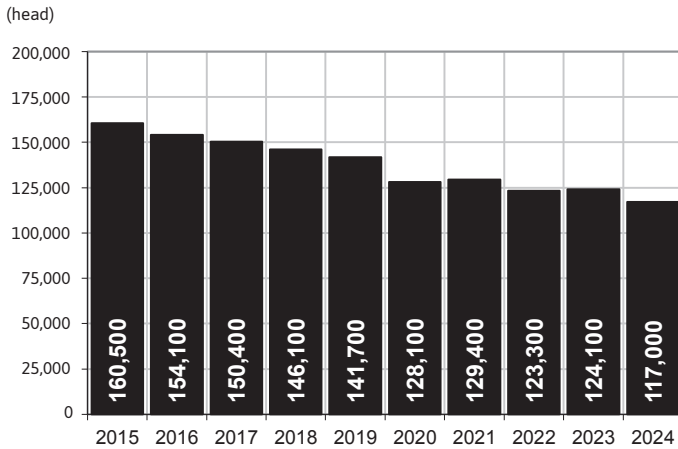
1. STATE OF THE MARKET IN 2024
2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE FEEDER CALF SECTOR IN 2024
 - 2.1 Marketing Options
 - 2.1.1 Specialized Auctions
 - 2.1.2 Electronic Auctions
 - 2.1.3 Breeder-Finishers
 - 2.2 Value Creation Subcommittee
 - 2.3 Promotion and Marketing Fund for Quebec Feeder Calf Producers
3. SECTOR ORIENTATIONS FOR 2025
 - 3.1 Marketing Options
 - 3.1.1 Specialized Auctions
 - 3.1.2 Electronic Auctions
 - 3.2 Value Creation Subcommittee
4. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR ALTERNATE
 - 4.1 Eligibility Requirements
5. OTHER BUSINESS (AS APPLICABLE)



FEEDER CALF

1. STATE OF THE MARKET IN 2024

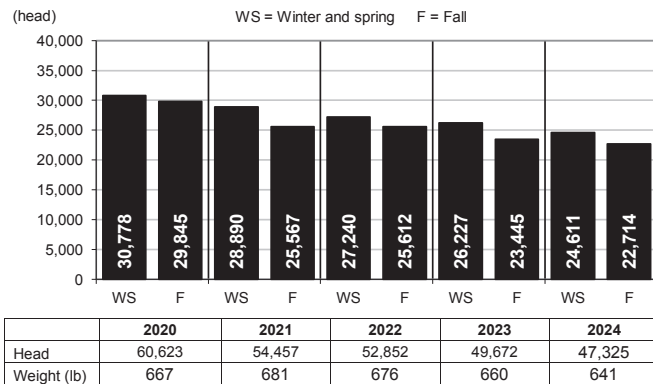
Figure 1: Beef Cow Inventories, 10 years



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

According to Statistics Canada, the number of beef cattle in inventory on January 1, 2024, was 117,000 compared to 124,100 a year prior on January 1, 2023. This 7,100-cow decrease marks a 6% drop in inventory.

Figure 2: Feeder calves sold in specialized Quebec auctions, 2020–2024 (seasonal and annual volumes and average weight)



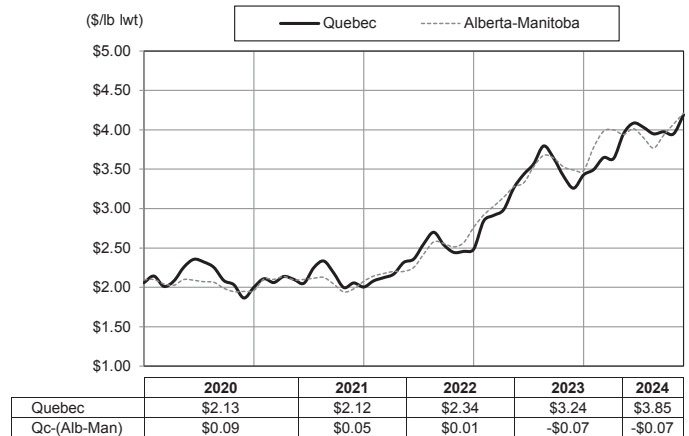
Source:
 • PBQ: Number and average weight of feeder calf sold in specialized Quebec auctions

In 2024, the number of calves put to market in specialized auctions fell by 5% compared to 2023. The average selling weight of feeder calves fell to 641 lb, compared to 600 lb in 2023.

In 2024, the number of feeder calves sold in regular auctions fell to 4,493 (compared to the 4,843 sold in 2023).

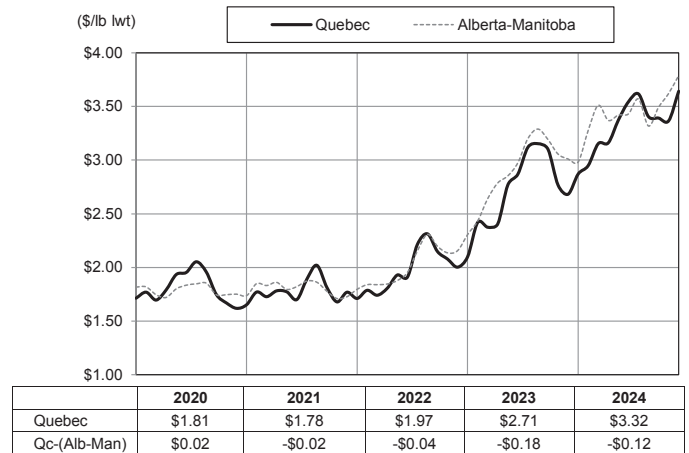
The volume of feeder calves put to market in 2024 through supervised sales, however, rose by 4% compared to 2023, with 4,182 sold in 2024 compared to 4,010 in 2023.

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

In 2024, average prices rose by \$0.61/lb both for males and females compared to 2023.

In 2024, the average price differential between Quebec and Western Canada was -\$0.07/lb for 600 lb to 700 lb male calves and -\$0.12/lb for female calves of the same weight category.

Figure 5: Price of male and female feeder calves by weight category, 2024

Weight (lb)	450	550	650	750	850
Price of males (\$/lb)	\$4.04	\$4.10	\$3.84	\$3.59	\$3.21
Revenues from males (\$/head)	\$1,817	\$2,257	\$2,499	\$2,693	\$2,731
Price of females (\$/lb)	\$3.48	\$3.47	\$3.30	\$3.06	\$2.66
Revenues from females (\$/head)	\$1,568	\$1,909	\$2,145	\$2,295	\$2,264

Males: Average weight of 650 lb and average revenue of \$2,478/head
 Females: Average weight of 624 lb and average revenue of \$2,061/head

Source:

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

In 2024, the annual average price of castrated 600 lb to 700 lb males was \$3.81/lb with an average revenue of \$2,477/head. This is a significant increase compared to 2023.

The annual average price of 600 lb to 700 lb females was \$3.27/lb with an average revenue of \$2,126/head, again a significant increase compared to 2023.

2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE FEEDER CALF SECTOR IN 2024

2.1 MARKETING OPTIONS

Since 2022, members of the Feeder Calf Marketing Committee (known internally as the CMMVE) have performed analyses of different feeder calves marketing options for Quebec-based producers. The selling agency continued this work over the past year.

2.1.1 Specialized auctions

Since the 2022–2023 season, auction sales must meet the minimum volume of 400 feeder calves (+/- 10%) at least once over the previous two calendar years to be included in the Quebec Specialized Feeder Calf Auctions Circuit schedule. This condition was put in place by members of the schedule committee whose members include two feeder calf producers, one representative from each auction association, one fed cattle producer, and one buyer representative. For the 2024–2025 season, the Bic auction's January sale was the only one removed from the calendar for not meeting the required minimum.

This year, a pamphlet about the value of non-pregnant females, entitled *Miser sur les femelles non gestantes!*, was included in the Quebec Specialized Feeder Calf Auctions Circuit's mail-out to raise awareness among feeder calf producers about how feedlots are impacted by pregnant females put to market in specialized auctions.

2.1.2 Electronic auctions

This year, the feeder calf selling agency implemented the electronic auction sales system. Resulting sales for 2024 are shown below:

Date	Number of producers selling at auction	Lots sold/ put to auction	Calves sold/ put to auction	Buyers
January 23, 2024	17	3/24	42/587	2 feedlots
March 19, 2024	7	7/9	245/315	2 feedlots
June 18, 2024	4	6/7	136/208	2 feedlots
November 26, 2024	4	5/5	183/183	2 feedlots

2.1.3 Breeder-finishers

In 2023, local abattoirs expressed an interest in a supply of cattle born and fattened inside the same operation. Accordingly, information sessions were organized for feeder calf producers.

On March 24, 2024, the PBQ organized an information session for producers who already (or plan to) finish their feeder calves into fed cattle. As part of the event, a discussion was held in the form of a panel of breeder-finishers. Producers were also presented with talks about health and nutrition, and a presentation about the Verified Beef Production Plus program. Data sheets on this topic are available to producers interested in finishing their feeder calves. The data sheets and a recording of the panel discussion are available (in French) on the PBQ website (<https://cutt.ly/naisseur-finisseur>).

2.2 VALUE CREATION SUBCOMMITTEE

During a beef sector steering committee meeting, a number of abattoirs mentioned the small percentage of fed cattle produced in Quebec with AAA or Prime category marbling. The PBQ was subsequently mandated to strike a value creation subcommittee. In North America, one of the main value creation criteria rests on the consumer's taste experience, which explains why meat marbling (flavour and juiciness) is often subject to a premium price scale. When abattoirs disclose their price scales, they are clearly signalling what they want from producers. Seeing as abattoirs each have their own slightly distinct set of concerns and objectives, different price scales and schemes are currently under study. The fed cattle selling agency is working with abattoirs to establish price scales that will benefit both producers and abattoirs.

As such, to stay aligned with this initiative, producers will require support. The fed cattle sector plans to profitably produce more cattle with AAA or Prime category marbling while optimizing carcass yield (Y1, Y2, Y3) and avoiding overly fattened cattle (representing a loss in carcass yield). It is also important to remember that the industry highly values lot uniformity.

FEEDER CALF

The feeder calf selling agency has been collaborating with various partners since the value creation committee was established. Its communication and action plan is under development. Meetings have been held with, among others, nutrition consultants, the Centre de développement du porc du Québec's NovaBoeuf team, and representatives from artificial insemination centres.

2.3 PROMOTION AND MARKETING FUND FOR QUEBEC FEEDER CALF PRODUCERS

The 9th season of the TV series *Arrive en campagne* featured an episode on feeder calf production which aired on July 11, 2024. The episode was filmed at the Lafontaine-Noël farm in Abitibi-Témiscamingue. This partnership with the series helped promote Bœuf d'ici (www.boeufdici.com), a directory of farm operations selling meat directly to consumers.

3. SECTOR ORIENTATIONS FOR 2025

3.1 MARKETING OPTIONS

The selling agency will continue its work in achieving a better understanding of the different marketing options available to feeder calf producers.

3.1.1 Specialized auctions

The selling agency will continue to work with managers of specialized auctions to ensure compliance with sales conditions. The agency also works with pharmaceutical product suppliers to help producers meet the vaccination requirements of the specialized auction circuit.

Negotiations surrounding the feeder calf marketing agreement (*Convention de mise en marché des veaux d'embouche*) will be held with auction associations over the coming year.

3.1.1 Electronic auctions

Members of the CMMVE hope to continue deploying this new marketing option. So far, at least four electronic auctions are planned for 2025:

- January 21
- March 4
- April 15
- June 10

Conditions of purchase and sale, and the registration form, can be found on the PBQ website

(<https://cutt.ly/electronic-auctions>). Producers looking for more information about this marketing option or looking to register feeder calves must contact the selling agency by email at veaudembouche@upa.qc.ca or by phone at 450 679-0540, ext. 8482.

3.2 VALUE CREATION SUBCOMMITTEE

In 2025, work will continue to improve the uniformity and quality of Quebec fed cattle carcasses. In addition to maintaining relationships with stakeholders already consulted, meetings are planned with veterinarians and breeding stock producers to ensure the quality and health of feeder calves put to market.

Different mail-outs will be sent to producers in the coming weeks by beef sector partners. An information day on improving carcass quality will also be held for beef sector producers on April 8, 2025, in Drummondville.

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 have 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)

FED CATTLE PRODUCERS WORKSHOP

Proposed Agenda

1. STATE OF THE MARKET IN 2024
2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE FED CATTLE SECTOR IN 2024
 - 2.1 VBP+ certification
 - 2.2 Regulation on fed cattle production and marketing
 - 2.3 Fed cattle marketing agreement
 - 2.4 Industry growth project
 - 2.5 Marbling quality improvements
3. SECTOR ORIENTATIONS FOR 2025
4. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR ALTERNATE
 - 4.1 Eligibility criteria
5. OTHER BUSINESS (AS APPLICABLE)



FED CATTLE

1. STATE OF THE MARKET IN 2024

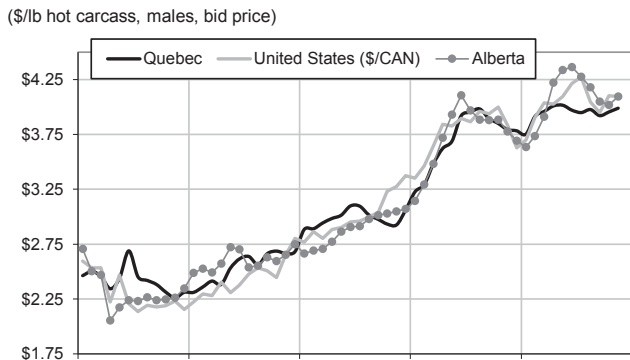
In 2024, the price of cattle stayed at record levels both in Canada and the US. The strong increase in worldwide demand for beef meat, particularly in Asia and Latin America, has supported these high price levels from which North American producers have benefited. Challenges remain nonetheless, specifically in terms of the high input costs (calves, feed, labour) and the significant drop in American cattle inventory due to important droughts that affected the major cattle producing states over the last two years.

Currently, there are fewer beef cows on pasture in the US meaning that there will be fewer calves and cattle being fattened. We expect a yearly 1 to 3% drop in this inventory over the next two years. The potential outcome is a drop in beef meat supply for another few years. If pasture conditions permit, herds should begin being reconstituted in 2025. Accordingly, it is likely that demand and price of cattle will stay relatively high in 2025.

This optimism should nonetheless be tempered in light of other economic factors such as competition between beef meat and other animal proteins, consumer purchase power, domestic demand, and export demand.

In Quebec, the average price of fed cattle rose significantly —by \$0.24/lb carcass weight (cwt)— going from \$3.71/lb cwt in 2023 to \$3.95/lb cwt in 2024. This represents an increase in value of fed cattle, that is, \$216 for a 900 lb steer. The average price at the start of 2024 was \$3.75/lb cwt. Prices continued on an upward trend and peaked around \$4.25/lb cwt in December.

Figure 1: Price of fed cattle (A1-A2) in Quebec, Western Canada, and the US (spot market only)

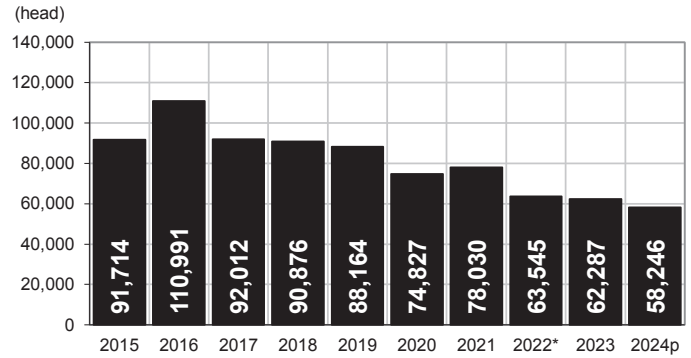


	2020	2021	2022	2023	2024
QUEBEC	\$2.42	\$2.54	\$2.99	\$3.71	\$3.95
QC-ON	\$0.01	\$-0.03	\$-0.05	\$-0.05	\$-0.10
QC-US	\$0.12	\$0.10	\$-0.02	\$-0.06	\$-0.09
QC-AB	\$0.11	\$-0.06	\$0.10	\$-0.02	\$-0.13

Sources:
 • PBQ: Bid price of A1-A2 male steer, full loads, sold in Canada and the US, spot market, from the farm, Quebec
 • OCA: Sale price of A1-A2 male steer, direct sales, Ontario

Selling prices of Quebec fed cattle were on average \$0.13/lb lower than those in Western Canada (Figure 1) with a higher price differential than we saw in 2023 (\$0.02/lb). The differential between the average price of Quebec fed cattle versus US fed cattle also grew in 2024, going from -\$0.05/lb cwt to -\$0.10/lb cwt. This has helped once again stoke exports of Canadian-fed cattle to the US. The favourable exchange rate also largely explains this trend.

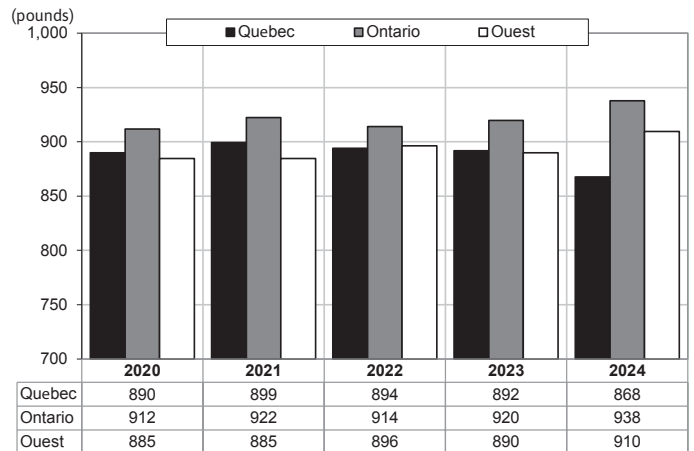
Figure 2: Quebec fed cattle production*



Source:
 • PBQ: Number of fed cattle put to market by producers in Quebec

Despite improved profitability over the last two years in the fed cattle sector, the increase in the costs of production, market uncertainty, and the low profitability from the past few years ultimately led to another drop in production volume compared to the previous year (Figure 2). In total, 58,246 head were produced in 2024, excluding sales paid directly to producers.

Figure 3: Average weight of steer* carcasses (Quebec, Ontario, and Western Canada)



* Slaughtered in Canada

Sources:
 • PBQ: Selling weight of steer slaughtered in Canada (weighted 65% male, 35% female), Quebec
 • CBGA: Selling weight of steer slaughtered in Ontario (weighted 65% male, 35% female)
 • CBGA: Selling weight of steer slaughtered in Western Canada (weighted 65% male, 35% female)

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Always read and follow the label instructions to ensure this product is suitable for the animal to be vaccinated.
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1. Savard C, and Broes A. Bovine respiratory profiles summary in 2019. *Biovet Animal Health News* (2020) Available at https://biovet-inc.com/wp-content/uploads/doc/info/Bovine_respiratory_profiles_summary_2019_rev.pdf. (Accessed July 2023.)
2. Gerds V, Muiyiri GK, Tikoo SK, and Babik LA. Mucosal delivery of vaccines in domestic animals. *Vet. Res.* (2006) 37:487-510 DOI: 10.1051/vetres:2006012. Available at: <https://www.vetres.org/articles/vetres/pdf/2006/03/v6030.pdf> (Accessed July 2023.)

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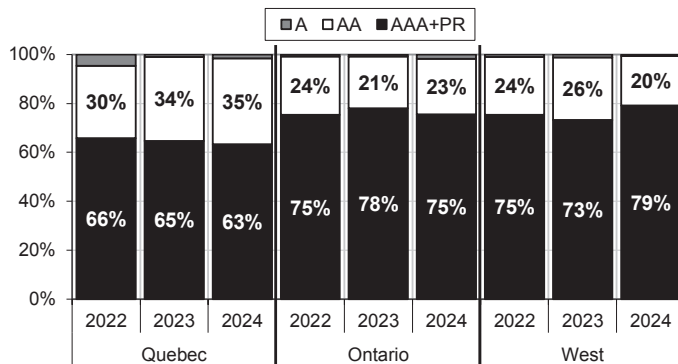


Les Producteurs
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In 2024, the average weight of steer carcasses in Quebec was significantly lower than it was in 2023 (Figure 3), with a 24 lb drop bringing the average weight down to 868 lb. In Western Canada, the average weight of carcasses was 910 lb in 2024, compared to 890 lb in 2023. This is a 20 lb rise. Similarly in Ontario, we see higher carcass weights growing once more, this time from 920 lb in 2023 to 938 lb in 2024.

Figure 4: Marbling of steer* carcasses (Quebec, Ontario, and Western Canada)



* Slaughtered in Canada

Sources:

- PBQ: Grading of fed cattle produced in Quebec and slaughtered in Canada
- CBGA: Grading of fed cattle slaughtered in Ontario
- CBGA: Grading of fed cattle slaughtered in Western Canada

In terms of carcass quality, Figure 4 shows trends in the share of carcasses based on their marbling score. The share of AAA or Prime steer carcasses produced in Quebec is 63%, which is 12% lower than in Ontario and 16% lower than in Western Canada.

2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE FED CATTLE SECTOR IN 2024

2.1 VBP+ CERTIFICATION

As of January 1, 2025, the new regulation (hereinafter, the “Regulation”) on the production and marketing of fed cattle (*Règlement sur la production et la mise en marché des bouvillons*) will require operations putting to market more than 20 head per week to be certified through the Verified Beef Production Plus (VBP+) program. The Fed Cattle Marketing Committee (internally known as the CMMBA) would like to underscore the importance of Quebec’s fed cattle sector transitioning towards sustainability.

Details of the VBP+ program are outlined in this document under the Quality Programs portion of the 2024 Activities section.

2.2 REGULATION ON FED CATTLE PRODUCTION AND MARKETING

The purpose of the Regulation is to set out terms pertaining to production and marketing to help guide producers.

The revised draft Regulation was presented and approved by producers during the 2024 annual regional general meetings and at the PBQ annual general meeting on March 27, 2024. On May 6, 2024, the Régie des marchés agricoles et alimentaires du Québec (RMAAQ) then approved the wording of the new Regulation.

2.3 FED CATTLE MARKETING AGREEMENT

A draft agreement was approved by the Fed Cattle Marketing Committee (internally known as the CMMBA) and will be presented to different buyers in 2025 to kickstart negotiations. The purpose of this agreement is to set out terms with buyers for the marketing of fed cattle.

2.4 INDUSTRY GROWTH PROJECT

The CMMBA took part in an exercise where committee members were asked to suggest concrete actions aligned with possible orientations or projects that could help improve the productivity of fed cattle operations by fostering their vitality, thereby increasing production volumes or, at the very least, maintaining them.

The fed cattle selling agency and the fed cattle negotiation committee, in tandem with the beef sector strategic planning steering committee, were mandated by the CMMBA to establish a production growth and value creation strategy for farm operations and the industry as a whole. As such, one of the strategy’s objectives is to foster an overall increase in the quality of fed cattle put to market, including marbling quality. The goal is to ensure the long-term sustainability of existing operations through a profitable value creation strategy.

2.5 MARBLING QUALITY IMPROVEMENTS

In North America, one of the main value creation criteria focuses on marbling. Local abattoirs have also expressed interest in seeing more marbling from Quebec producers. An action plan has therefore been proposed to help producers respond to this need.

For producers, the goal is profitability in producing more cattle with marbling scores meeting AAA or Prime standards while maximizing carcass yield (Y1, Y2, Y3) and avoiding over fattening steer (which reduces yield). In North America, the most frequently used tool to promote marbling production is the price scale. In keeping with their distinct concerns and goals, abattoirs were each asked to submit a custom price scale. Different scales and schemes are therefore now under study. The selling agency is working with abattoirs to establish price scales that will benefit both producers and abattoirs.

FED CATTLE

The goal for producers is to reach, or surpass, the 75% mark in AAA- or Prime-graded steer. Another goal is to improve the uniformity of lots which is highly valued by the industry.

The marbling project's action plan was launched in 2024 and will continue in 2025. Its main actions are:

- Meetings with nutritionists, implant suppliers, Quebec-based cattle consultants, and other industry agents to outline the industry's priorities and recruit their expertise to help producers reach the minimum 75% AAA- or Prime-graded steer target.
- Analyses of marbling averages and operational performances reflecting optimal results in an effort to promote best practices in ensuring good marbling.
- Technical information-sharing with producers to help them pursue possible improvements in terms of nutrition, implants, and genetics.

3. SECTOR ORIENTATIONS FOR 2025

The following business will be the focus in 2025:

- Continue to pursue the industry growth project, which includes the marbling quality improvement project;
- Continue to pursue beef sector strategic planning;
- Collaborate with the feeder calf sector and the cull cattle and dairy calf sector on a number of projects such as information-sharing events for producers (dairy/beef cross breeder-finishers, carcass marbling quality);
- Negotiate the marketing agreement with buyers;
- Assess the financial standing of the selling agency.

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 fed cattle category;
- Having raised (on their own or another's behalf) or having produced and put to market at least 50 steers over the past calendar year;
- 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 have voting rights;
- Having 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 raised (on their own or another's behalf) or having produced and put to market at least 50 steers over the last calendar year nominate themselves as a candidate, a fed cattle 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)

MILK-FED VEAL PRODUCERS WORKSHOP

Proposed Agenda

1. STATE OF THE MARKET IN 2024
2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE MILK-FED VEAL SECTOR IN 2024
 - 2.1 Ongoing and Completed Projects
 - Solution-finding to limit the prevalence of ulcers and abomasum lesions in milk-fed calves
 - Veal Sector Life Cycle Analysis
 - 2.2 Verified Veal Quality Program
 - 2.3 Provincial- and Federal-Level Involvement
 - Canadian Veal Association
3. SECTOR ORIENTATIONS FOR 2025
4. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR SUBSTITUTE
 - 4.1 Eligibility Requirements
5. OTHER BUSINESS (AS APPLICABLE)



MILK-FED VEAL

1. STATE OF THE MARKET IN 2024

Production of milk-fed calves for 2024 is projected to be around 59 006 heads. This represents a 10.9% drop compared to 2023.

Figure 1: Quebec milk-fed calf production

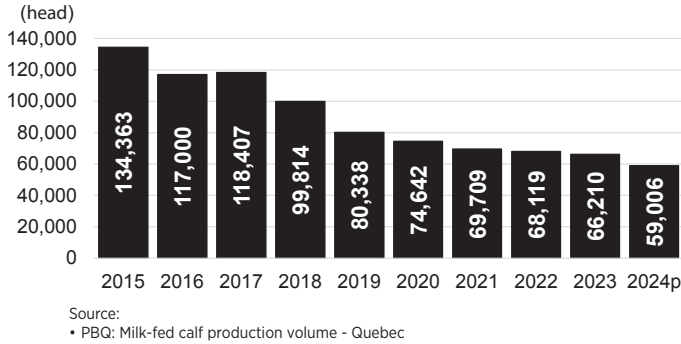
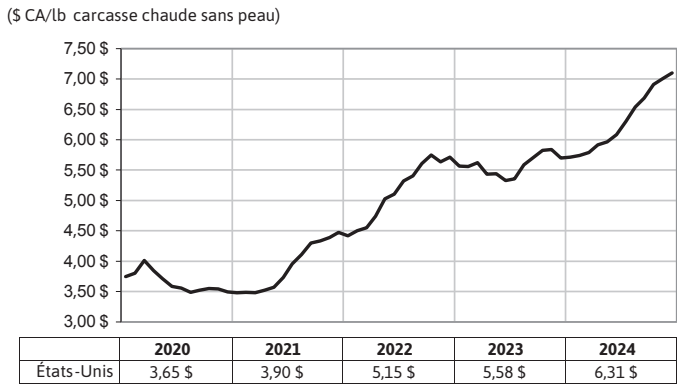


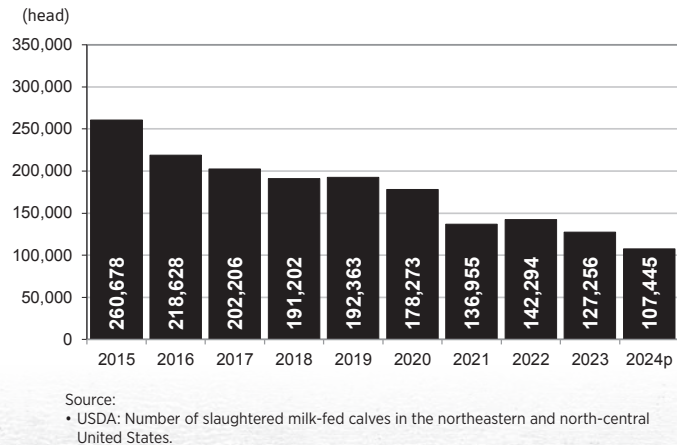
Figure 2: Price of milk-fed calves in the US*



* The adjusted price for the Quebec market represents the hot carcass price paid to producers, FOB for Northeastern and North-Central US, from which Can\$0.25/lb cwt is subtracted to cover US-export customs, transports, and veterinarian fees.

The milk-fed calf price on the US market saw a steady increase in 2024 with an annual average of Can\$6.31/lb cwt. Overall, the average price was 13% higher than the 2023 average.

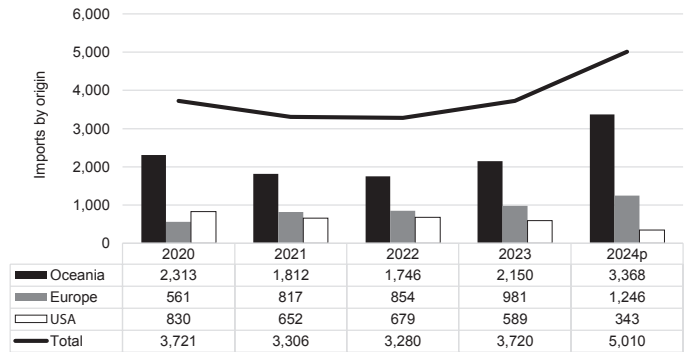
Figure 3: US production of milk-fed calves



American milk-fed calf production shows a drop of 15.6% compared to 2023. Annual production estimates are projected to be around 107,445 head.

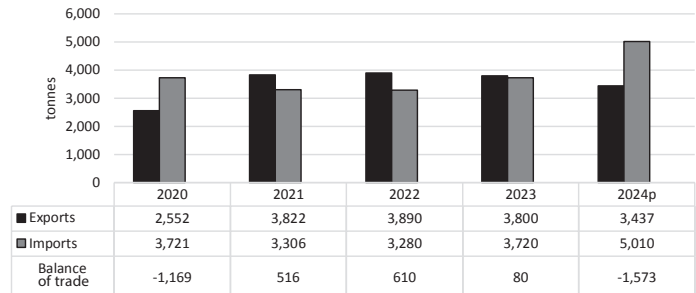
International Trade

Figure 4: Canadian veal meat imports by origin (in tonnes) – 2020 to 2024p



In 2024, we saw an explosion in veal meat imports into Canada, which would represent a 34,7% increase compared to 2023. American-raised veal meat, which was once very present on the Canadian market, is becoming less so. The majority of imports into Canada (two thirds) come exclusively from Oceania, New Zealand primarily. Over the years, the Netherlands and other EU countries have exported more and more veal meat to Canada, surpassing volumes imported from the US since 2021.

Figure 5: Canadian veal meat imports and exports – 2020 to 2024p



Sources:
• CFIA: Imports
• Statistics Canada: Exports

Should this trend continue, Canadian exports should reach approximately 3,437 tonnes, which represents a 10,6% drop compared to 2023. That being said, export levels remain higher than the average from the last five years. Though the United Arab Emirates and Qatar remain regular buyers, the US remains the primary export destination for our products, representing 95% of export volumes.

This translates into a large trade balance deficit seeing as the import/export balance has reached a never-before-seen deficit of 1,573 tonnes.

2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE MILK-FED VEAL SECTOR IN 2024

2.1 ONGOING AND COMPLETED PROJECTS

Solution-finding to limit the prevalence of ulcers and abomasum lesions in milk-fed calves

After completing, in 2022, the project aimed at developing an abomasum lesion assessment tool for milk-fed calves, the Milk-fed Veal Marketing Committee felt it was appropriate to pursue a second phase alongside the Université de Montréal's faculty of veterinarian medicine.

The project submitted a request for funding to Quebec's Ministry of Agriculture, Fisheries and Food's *Programme Innovation bioalimentaire* (PIB). The project will begin in 2025 and unfold over a period of no more than 36 months with the following objectives:

- Assess the prevalence of abomasum lesions in Quebec milk-fed calves;
- Confirm the diagnostic value of serum pepsinogen in blood samples from a subset of calves in correlating abomasum lesions detected at the slaughterhouse;
- Assess fattening characteristics using a questionnaire during a farm site visit;
- Evaluate specific risk factors potentially tied to this issue in individual animals, lots, and farms;
- Study a subset of abomasa from calves having died during the fattening stage in order to characterize the proportion of those with ulcers.

Veal Sector Life Cycle Analysis

The Life Cycle Analysis project aims to outline the environmental impact of a given product from farm to retail through an assessment of this cycle's direct and indirect greenhouse gas (GHG) emissions. Such analysis should help distinguish cattle-raising activities from abattoir and processing activities. By identifying activities generating the most GHGs, priority actions can be established to pursue emission reductions.

2.2 VERIFIED VEAL QUALITY PROGRAM

The Canadian Food Safety Program for on-farm production of Verified Veal calves offers producers a way to respond to consumer demand for proof of food safety. The program offers clients a guarantee of first quality veal meat. Details about this program can be found in the

Quality Programs section of the 2024 Activities portion of this document.

2.3 PROVINCIAL- AND FEDERAL-LEVEL INVOLVEMENT

Canadian Veal Association

The PBQ is a member of the Canadian Veal Association (CVA) which represents producers, abattoirs, and sector stakeholders from Quebec and Ontario. The CVA engaged in the following business in 2024:

- Followed the work of the National Farm Animal Care Council in its revision of different codes of practice relating to veal, including the updating of the Code of Practice for the Care and Handling of Beef Cattle;
- Followed all regulatory work at Health Canada surrounding draft regulations relating to medications;
- Pursued work with various associations related to the adoption of binding legislation in different US states and in Europe that could have major market access impacts for Canadian veal meat;
- Ensured monitoring of the change in the proportional number of dairy-crossed calves in farming operations;
- Supported the update of Agriculture and Agri Food Canada's *Veal at a Glance* document.

3. SECTOR ORIENTATIONS FOR 2025

In 2025, the milk-fed veal sector will focus its efforts on the following business:

- Deploy the veal sector's 2025–2029 strategic planning and complete ongoing projects tied to 2020–2024's strategic planning;
- Work with the CVA and the federal workgroup on the competitiveness of veal to promote the sector's priority issues among stakeholders, policy-makers, and government, specifically:
 - Developments that could negatively impact international exports;
 - Updates to the Code of Practice for the Care and Handling of Veal Cattle and progress with other cattle codes of practice;
 - Any other federal-, provincial-, or international-level developments that could impact the veal cattle industry;
- Continue collaborating with the Cull Cattle and Dairy Calves Marketing Committee to improve the quality of dairy calves put to market and actively participate in the Forum Veau;
- Maintain actions towards adapting the *Health of Animals Regulations*: Part XII: Transport of Animals in collaboration with the grain-fed veal and cull cattle and dairy calf sectors;

MILK-FED VEAL

- In view of securing funding from the PIB, undertake the second phase of the project on abomasum lesions in milk-fed calves in an effort to determine their cause and define production management factors that may help prevent them.

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 milk-fed veal category;
- Have raised (on their own or another's behalf) or have produced and put to market at least 100 milk-fed calves over the past calendar year;
- 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 have voting rights;
- Have paid the contributions outlined by the Joint Plan or, failing such, have taken legal action to contest them within 30 days of their invoice.

5. OTHER BUSINESS (AS APPLICABLE)

GRAIN-FED VEAL PRODUCERS WORKSHOP

Proposed Agenda

1. STATE OF THE MARKET IN 2024
2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE GRAIN-FED VEAL SECTOR IN 2024
 - 2.1 Marketing Restructuring
 - 2.2 Expert Network
 - 2022–2023 Group Analysis
 - INPACQ Day
 - 2.3 Historical Production Data
 - 2.4 Ongoing and Completed Projects
 - Development of an innovative commercial-scale classification system for veal carcasses using proven meat industry technologies
 - Assessment of an alternative milk replacement to reduce back fat deposit in Holstein-Angus crossed heifers
 - Life cycle analysis for the veal sector
 - 2.5 Federal- and Provincial-level Engagement
3. CERTIFICATION
 - 3.1 New in 2025
 - 3.2 2023–2024 VGQC Award of Recognition
4. PROMOTION AND MARKET DEVELOPMENT
5. SECTOR ORIENTATIONS FOR 2025
6. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR ALTERNATE
 - 6.1 Eligibility Requirements
7. OTHER BUSINESS (AS APPLICABLE)



GRAIN-FED VEAL

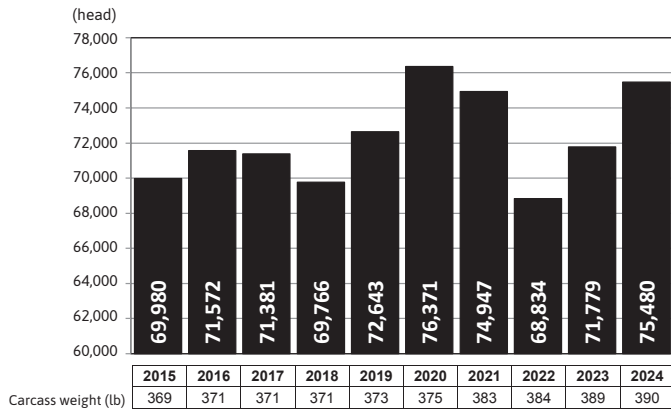
1. STATE OF THE MARKET IN 2024

Main Observations and Sector-Specific Issues

Grain-fed calf production had a strong start in 2024 with volumes higher than in 2023. These volumes met buyer demand until early June. In the months that followed, weekly supply was short by nearly 275 head. This shortage became slightly more pronounced by the start of fall when demand is at its highest.

Due to the high volumes projected for the 2024 holiday period, the Grain-fed Veal Marketing Committee (known internally as CMMVG) and buyers agreed to add a premium to motivate producers to bring a portion of their calves to market a bit earlier for the November 20 to December 11 sales period in 2024. This reduced the number of calves having to be slaughtered over the period between Christmas and New Year's Day during which there are fewer working days.

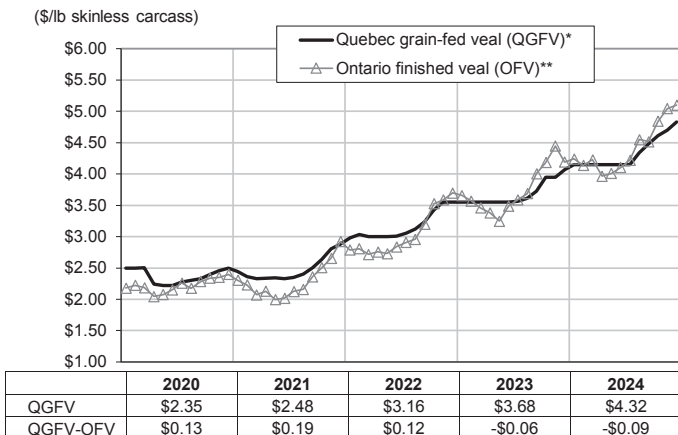
Figure 1: Quebec grain-fed calf production trends



Source:
• PBQ: Number and weight of Quebec-produced grain-fed calves

In 2024, grain-fed calf production rose by 5,2% compared to 2023, ending with a volume of 75,480 calves. The average carcass weight was 390 lb, representing a 1 lb increase compared to 2023.

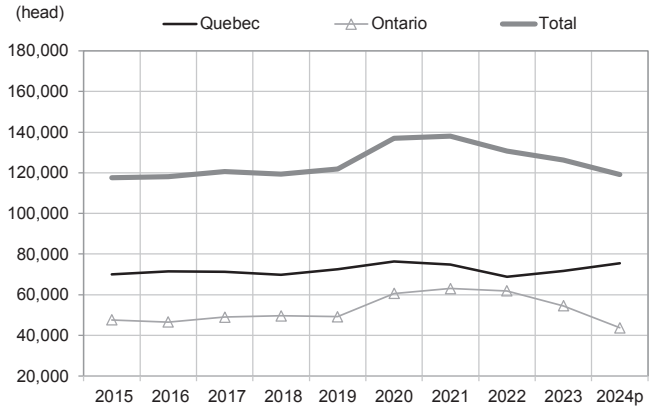
Figure 2: Price of Quebec and Ontario grain-fed calves



* Net price (auction price minus floor price support)
** Weekly price published by OCA live auction in the «Over 600 lb» category

The price of grain-fed calves rose in 2024 both on the Quebec and Ontario markets. The average price in Quebec was \$4.32/lb cwt. Average prices in Ontario were \$4.39/lb in auctions and \$4.48/lb for direct sales to slaughterhouses for a weighted average of \$4.46/lb.

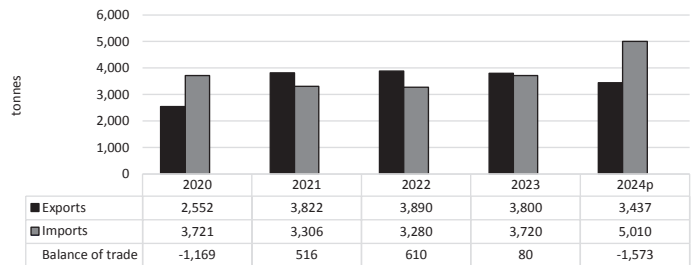
Figure 3: Grain-fed calf production comparison – Quebec versus Ontario



Sources:
• PBQ: Number of Quebec-produced grain-fed calves
• GBGA/Canfax: Number of grain-fed calves slaughtered in Ontario

Quebec grain-fed calf production rose by 5,2% in 2024 while Ontario production fell by 19,8%. Combined, production in both provinces produced 119,239 calves, an estimated drop of 5,6%.

Figure 4: Canadian veal meat imports and exports – 2020 to 2024p



Sources:
• CFIA: Imports
• Statistics Canada: Exports

International trade

Should this trend continue, Canadian exports should reach approximately 3,437 tonnes, which represents a 10,6% drop compared to 2023. That being said, export levels remain higher than the average from the last five years. Though the United Arab Emirates and Qatar remain regular buyers, the US remains the primary export destination for our products, representing 95% of export volumes.

This translates into a large trade balance deficit seeing as the import/export balance has reached a never-before-seen deficit of 1,573 tonnes.

2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE GRAIN-FED VEAL SECTOR IN 2024

2.1 MARKETING RESTRUCTURING

Two category meetings were held between April 10 and 26, 2024, to consult producers on the redrafting of the grain-fed calf production and marketing regulation (*Règlement sur la production et la mise en marché des veaux de grain*, hereinafter the “Regulation”). These two regional consultations generated, among other things, increased dialogue and participation from producers. Per votes cast at both meetings, the proposed redraft was endorsed.

The Regulation was submitted to the RMAQQ (Régie des marchés agricoles et alimentaires du Québec) in early August for formal approval. Business relating to this initiative is duly ongoing.

The next steps in this marketing restructuring initiative are:

- Have the new marketing Agreement signed by buyers;
- Begin implementation of the Regulation (outlining its implementation methods).

2.2 EXPERT NETWORK

2022–2023 Group Analysis

Led by the expert agricultural consulting group VIA Pôle, the group analysis exercise is a techno-economic assessment of farm operation financial statements that allows participating producers to make operational cost comparisons using data from other grain-fed calf raising operations.

Similar to the number of participating operations in previous years, 11 operations took part in the group analysis this year.

INPACQ Day

A training day designed for grain-fed calf starters and finishers, as well as milk-fed calf producers, was organized by the PBQ in collaboration with MAPAC, the Table des MRC du Centre-du-Québec, and the Réseau Agriconseils Montérégie. The event was held on September 12, 2024, in the Montérégie and featured a morning of talks and an afternoon of on-farm workshop sessions. The 80-person capacity event welcomed 74 attendees. Talks focused on carcass quality improvements, the use of probiotics in animal diets, and calf health.

2.3 HISTORICAL PRODUCTION DATA

Two calls were made by the CMMVG in 2024 for historical production data projects aimed at additional grain-fed calves:

- The first was made at the start of the year and was open to operations already in production. A single producer submitted a project for a total of 100 calves;
- The second was in the spring and was open to all producers, including new and startup operations. Six historical production data projects were granted for a total of 3,350 calves.

In 2024, nine such projects granted over the last five years were completed. Of the 7,110 calves involved, 93% were granted (i.e., 6,612 calves).

2.4 ONGOING AND COMPLETED PROJECTS

Development of an innovative commercial-scale classification system for veal carcasses using proven meat industry technologies

The ability to assess lean or sellable meat yield as part of carcass classification systems is essential for the meat industry. It allows market value to be determined and for carcasses to be sorted based on market specifications.

The veal industry supports the development of a yield ruler. Yield rulers have already proven their effectiveness and ease of use in the beef industry.

Throughout 2023, research teams from Agriculture and Agri-Food Canada’s Research and Development Centres in Sherbrooke, Quebec, and Lacombe, Alberta, performed data analyses and developed a prototype.

In 2024, in collaboration with the Canadian Beef Grading Agency, this research validated the yield ruler with participating slaughterhouses in an effort to assess the percentage of total lean meat yield from the current inventory of grain-fed calf carcasses. This validation step, which is still ongoing, will help establish yield classes for the ruler.

Assessment of an alternative milk replacement to reduce back fat deposit in Holstein-Angus crossed heifers

This exploratory back fat deposit assessment project led in 2023 with the Centre de développement du porc du Québec confirmed increased back fat deposits in Holstein-Angus crossed heifers and that this increase began at the nursery stage.

The second phase of this project proposes to assess the performance of a milk replacement to replace the current formula in reducing back fat deposits at an early age and to measure its impacts from the finishing stage until slaughter. With this same objective in mind, the project will be continued throughout the finishing stage by introducing a variation in the quantity of straw added to rations.

Notably, processors have been impacted by the marked increase in the number of Holstein-Angus crossed calves in grain-fed calf raising operations. This project therefore seeks to assess if a dietary change could help reduce back fat deposits specifically in this category of animal.

Life Cycle Analysis for the Veal Sector

The Life Cycle Analysis project aims to outline the environmental impact of a given product from farm to retail through an assessment of this cycle’s direct and indirect greenhouse gas (GHG) emissions. Such analysis should help distinguish cattle-raising activities from abattoir and processing activities. By identifying activities generating the most GHGs, priority actions can be established to pursue emission reductions.

GRAIN-FED VEAL

2.5 FEDERAL- AND PROVINCIAL-LEVEL ENGAGEMENT

Canadian Veal Association

The PBQ is a member of the Canadian Veal Association (CVA) which represents producers, abattoirs, and sector stakeholders from Quebec and Ontario. The CVA engaged in the following business in 2024:

- Followed the work of the National Farm Animal Care Council in its revision of different codes of practice relating to veal, including the updating of the Code of Practice for the Care and Handling of Beef Cattle;
- Followed all regulatory work at Health Canada surrounding draft regulations relating to medications;
- Pursued work with various associations related to the adoption of binding legislation in different US states and in Europe that could have major market access impacts for Canadian veal meat;
- Ensured monitoring of the change in the proportional number of dairy-crossed calves in farming operations;
- Helped in the updating of Agriculture and Agri Food Canada's *Veal at a Glance* document.

3. CERTIFICATION

3.1 NEW IN 2025

The first seven-year cycle of the Verified Veal for certified Quebec grain-fed veal (VV-VGQC) came to an end in 2024. The year was marked by reflection and brainstorming on finding ways to simplify the processes of the VV-VGQC program. Over the years, producer feedback has been translated into a variety of tools designed to assist them. Scan the QR code to browse them all:



Producers reported a recurring problem with the second redundant registry verification cycle. The certification program team has therefore proposed that the CMMVG rely on the Verified Veal verification cycle. The CMMVG endorsed the idea, and the decision will be in effect as of 2025:

Year	2017–2024 Verification Cycle	New Verification Cycle (effective starting in 2025)
1	Complete on-farm audit	Complete on-farm audit
2, 4, and 6	Registry verification	Registry verification*
3, 5, and 7	Registry verification	Self-declaration**

* During the registry verification for years 2, 4 and 6, the **internal audit** step must be completed. This audit process has been modified to group requirements together based on the type of production. There is no longer the need to indicate "N/A" for requirements not relevant to a given operation. Other questions were also paired together to avoid the collection of duplicate data, as is the case for the online internal audit.

During years 3, 5, and 7, registries no longer need to be submitted to the PBQ. The new **self-declaration, consisting of a one-page recto-verso checklist, must simply be completed and signed.

3.2 2023–2024 VGQC AWARDS OF RECOGNITION

In 2024, the certification team established the VV-VGQC Awards of Recognition program. These new awards recognize the work of certified grain-fed and milk-fed calf producers through five prizes awarded to outstanding operations. They were presented in partnership with Services vétérinaires ambulatoires Triple-V.

The 2023–2024 winners were:

- Next Generation Award: **Ferme des Mil Bromes S.E.N.C.** (finishing) for excellence in maintaining its registries, for its engagement in the VGQC program, and a record standing of zero registry corrections to date.
- Excellence in Record Keeping: **V 25 Inc.** (nursery and finishing) for its diligence and its meticulously kept registries.
- Perseverance: **Ferme Pierre et Denis Mathieu SENC** (nursery and finishing) is the first Quebec-based operation to have obtained Verified Veal certification (2023).
- Engagement and Outreach: **Avoporq Inc.** (nursery and finishing) for its information event about grain-fed veal production aimed at Montérégie-Est consumers, which attracted more than 1,000 people.
- Auditor's Favourite: **Ferme G. et F. Meunier Inc.** (nursery and finishing) for excellence in their renewal process, exemplary record-keeping, and good standing towards certification.

4. PROMOTION AND MARKET DEVELOPMENT

Market promotion and development activities tied to the Quebec grain-fed veal markets take the form of advertising centred around the following business objectives:

- Generating sales volume by educating the public about the product, its benefits, and its various cuts;
- Raising the profile of Quebec veal producers by promoting their work;
- Educating the general public in an effort to change negative perceptions by highlighting economic and culinary diversity and promoting simple recipes.

The Milk-Fed Veal Marketing Committee chose to stop contributing to the promotion budget. As such, social media publications and all promotional activities only featured the Quebec Grain-Fed Veal certification. Both the social-media handle and the name of the website remain unchanged (Veau du Québec, <https://www.veauduquebec.com/>).

In support of public-facing projects, Aliments du Québec agreed to help fund the 2024 summer's promotional campaign to the tune of \$55,222. This helped increase the campaign's preliminary budget in exchange for Aliment du Québec's visibility across all campaign visual materials. This additional funding helped fund:

- Advertising campaigns across the Québecor network;
- A promotional video broadcast on Radio-Canada's Tou.TV;
- A recipe prepared by Michelle Furtado and Chef Pasquale Vari featured on Tik Tok through Radio-Canada's online food platform Mordu.

Other advertising initiatives took place over the year:

- New veal recipes added to the Glouton online coupon platform;
- Facebook contest in collaboration with *Je cuisine*;
- Production of a multicultural recipe booklet;
- Advertising campaigns across the Yahoo! and Québecor networks;
- Three-part influence campaign with Folks & Forks (winter, spring and summer);
- Recipes and advertising in *5 ingrédients, 15 minutes* magazine (four issues, social media, the 5-15 newsletter and TikTok vlog);
- Contribution to Pratico-Pratiques' anniversary edition magazine marking its 20-year anniversary;
- Two recipes featured on the TV show *Salut Bonjour* (at Easter with Aliments du Québec and in mid-June for BBQ season);
- Two-part influence campaign with Le Fit Cook (May and June);
- Ad spot during the radio show *Complètement midi*;
- Ad banners on the KO FRANCO network (five websites) and an Instagram story via Magazine Véro;
- Sponsorship of the *Complètement midi* radio show's BBQ contest;
- Collaboration with Montpak International/Famille Fontaine for the second edition of the *BBQ à la ferme* event;
- Collaboration with Famille Fontaine for the opening day of the Expo agricole de Saint-Hyacinthe;
- Collaboration with IGA Lamoureux de Saint-Joseph-du-Lac as part of the event Fêtes gourmandes de l'Abbaye d'Oka;
- Free tasting of pulled grain-fed veal mini-burgers at Festibière de Québec;
- Facebook, Instagram, and Pinterest ad campaigns.

Multicultural Campaign

In collaboration with processors, a pilot project was launched in summer 2024 to increase the visibility, build the presence, and stimulate sales of grain-fed veal on the multicultural market.

The agency Nourish Food Marketing, specialized in multicultural campaign strategy, developed an influence campaign which was led between June and August. Micro- and nano-influencers produced videos in Quebec City, Montreal, and surrounding areas as they visited 13 Halal butcher shops to purchase grain-fed veal to prepare for Eid al-Adha celebrations and for the BBQ season.

Agreement with Nielsen Canada

An agreement was finalized in 2024 with Nielsen Canada to obtain data about the sale of all veal products over the last three years in Quebec and Ontario. Such data offer insights on year-to-year trends and help measure the impact of promotional campaigns. Data reveals that sales fare better during periods when promotional budgets were higher. Investing in marketing is essential to increase visibility, develop brand presence, increase sales, and better understand the market including consumer behaviour.

5. SECTOR ORIENTATIONS FOR 2025

In 2025, the grain-fed veal sector intends to invest efforts in the following initiatives:

- Deploy the veal sector's 2025–2029 strategic planning and complete ongoing projects tied to 2020–2024's strategic planning;
- Work with the CVA and the federal workgroup on the competitiveness of veal to promote the sector's priority issues among stakeholders, policy-makers, and government, specifically:
 - Developments that could negatively impact international exports;
 - Updates to the Code of Practice for the Care and Handling of Veal Cattle and progress on other cattle codes of practice;
 - Any other federal-, provincial-, or international-level developments that could impact the veal cattle industry;
- Sign an agreement with grain-fed veal buyers as part of the marketing plan restructuring;
- Begin work internally in view of the forthcoming RMAAQ approval of grain-fed veal production and marketing regulations (*Règlement sur la production et la mise en marché des veaux de grain*);
- Continue collaborating with the Cull Cattle and Dairy Calves Marketing Committee to improve the quality of dairy calves put to market and actively participate in the Forum Veau;
- Continue work on the development project for an innovative commercial-scale classification system for veal carcasses using proven meat industry technologies;
- Engage in legislative efforts needed to implement a pan-Canadian grading system;

GRAIN-FED VEAL

- Continue work on the project to assess an alternative milk replacement to reduce back fat deposits in Holstein-Angus crossed heifers;
- Maintain actions towards adapting the *Health of Animals Regulations*: Part XII: Transport of Animals in collaboration with the grain-fed veal and cull cattle and dairy calf sectors;
- Deploy the 2025 promotional plan.

6. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR ALTERNATE

6.1 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 grain-fed veal category;
- Have raised (on their own or another's behalf) or have produced and put to market at least 50 grain-fed calves over the past calendar year;
- 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 have voting rights;
- Have paid the contributions outlined by the Joint Plan or, failing such, have taken legal action to contest them within 30 days of their invoice.

7. OTHER BUSINESS (AS APPLICABLE)

CULL CATTLE AND DAIRY CALF PRODUCERS WORKSHOP

Proposed Agenda

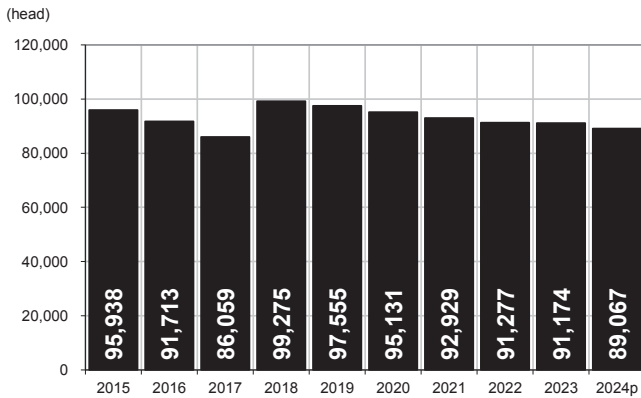
1. STATE OF THE MARKET IN 2024
2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE CULL CATTLE AND DAIRY CALF SECTOR IN 2024
 - 2.1 Update of Biosafety Practices at Quebec Auction Sites
 - 2.2 Dairy Calves
 - 2.2.1 Calf quality
 - 2.2.2 Beef crossed dairy calves
 - 2.3 Cull Cattle
 - 2.3.1 Promoting Bœuf du Québec
 - 2.3.2 Bœuf solidaire Project
3. SECTOR ORIENTATIONS FOR 2025
 - 3.1 Dairy Calves
 - 3.1.1 Quality dairy calves
 - 3.2 Cull Cattle
 - 3.2.1 Promoting Bœuf du Québec
 - 3.3 Cull Dairy Cattle Breeder-Finishers Project
4. CONSULTATION ON RAISING THE SPECIAL CONTRIBUTION FOR DAIRY CALF PRODUCTION AND MARKETING
5. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR ALTERNATE
 - 5.1 Eligibility Requirements
6. OTHER BUSINESS (AS APPLICABLE)



CULL CATTLE AND DAIRY CALF

1. STATE OF THE MARKET IN 2024

Figure 1: Number of culled cattle in Quebec

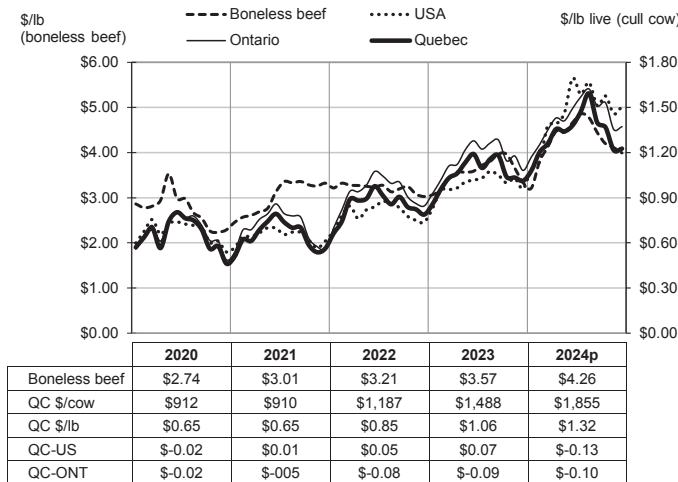


Source:
• PBQ: Number of cull cattle put to market in Quebec

In 2024, an average of 1,713 cull cattle were put to market on a weekly basis by producers through Quebec-based auctions. The volume of cull cattle put to market has fallen by 2.4% compared to 2023.

This data includes cull cattle sold at Quebec auctions and sold outside of Quebec under the Canadian Beef Check-Off Agency's national allocation agreement.

Figure 2: Price of Quebec, Ontario and US cull cattle and 85% lean boneless beef in Canada

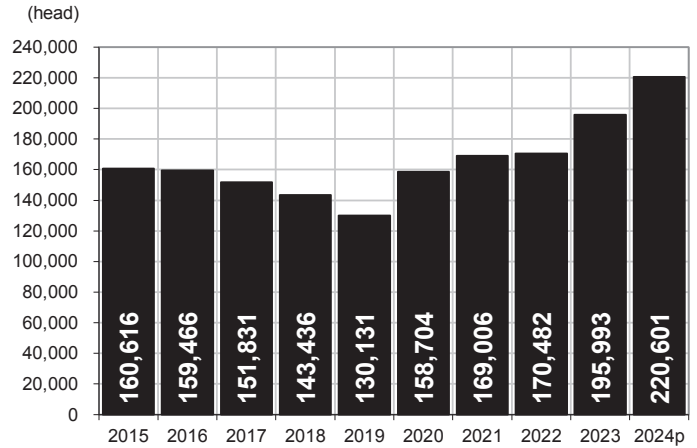


Sources:
• PBQ: Selling price of cull cattle sold in Quebec auctions, CC QC (\$/lb)
• PBQ: Revenue per 1,400 lb head of live cull cattle, CC QC (\$/head)
• Canfax: Selling price of cull cattle of all categories sold in Ontario auctions, CC ON
• USDA: Selling price of lean cull cattle sold at auction in New Holland, PA, converted to equivalent Can\$, CC USA
• Canfax: Selling price of 85% lean boneless beef sold in Canada, boneless beef

In 2024, the average live weight price of cull cattle rose to \$1.32/lb compared to \$1.06/lb in 2023. This increase is due to high North American market demand for beef protein.

The average benchmark price of boneless beef was \$4.26/lb in 2024, compared to \$3.57 in 2023.

Figure 3: Number of Quebec dairy calves put to market



Source:
• PBQ: Number of dairy calves put to market in Quebec

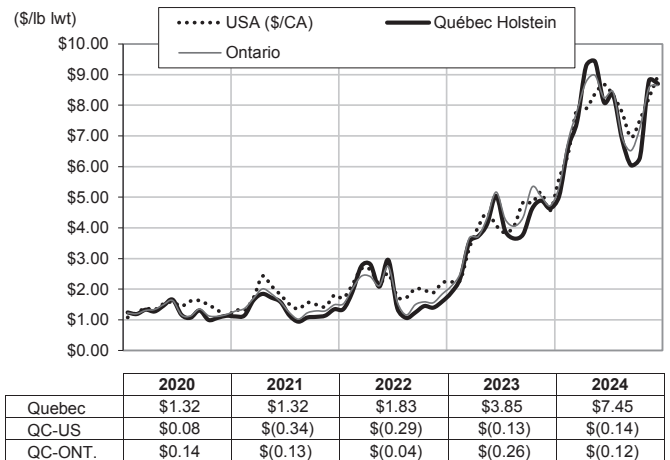
On average, 4,242 dairy calves were put to market on a weekly basis by producers in Quebec auctions in 2024.

The forecasted total annual volume of dairy calves put to market for 2024 is 220,601, representing a 11% increase compared to 2023.

The share of cross-bred dairy calves born from beef sire semen and put to market in Quebec auctions reached 57% in 2024.

This data includes dairy calves sold at Quebec auctions and sold outside of Quebec under the Canadian Beef Check-Off Agency's national allocation agreement.

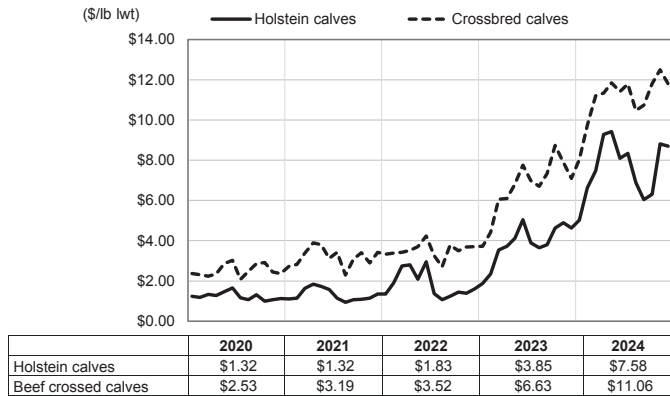
Figure 4: Price of good male dairy calves in Quebec, Ontario, and the US



Sources:
• PBQ: Selling price of male dairy calves sold in Quebec auctions
• OCA: Selling price of male dairy calves sold in Ontario auctions
• USDA: Selling price of male dairy calves sold in auctions in New Holland, PA, converted to equivalent Can\$, USA

Male dairy calves were put to market at an annual average live weight price of \$7.58/lb in 2024, i.e., \$3.73/lb more than 2023. This price variance is due namely to the US market's very high demand for fattened cattle and the favourable exchange rate for the export of calves to the US.

Figure 5: Comparison of prices of male dairy calves versus beef crossed calves



Sources:
 • PBQ: Selling price of male dairy calves and beef crossed calves sold in Quebec auctions

In 2024, good male Holstein calves sold at a live weight price of \$7.58/lb compared to \$11.06 for good male beef crossed dairy calves. The increase in the number of beef crossed dairy calves ultimately reduces the supply of Holstein calves which increases their price at auction.

2. ACHIEVEMENTS AND ONGOING BUSINESS IN THE CULL CATTLE AND DAIRY CALF SECTOR IN 2024

2.1 UPDATE OF BIOSAFETY PRACTICES AT QUEBEC AUCTION SITES

The PBQ launched a special biosafety protocol development project for Quebec auctions. The project aims to reduce biosafety hazards associated with farm-to-farm transportation and assembly of cattle, notably for cull cattle and dairy calves. Putting rigorous measure in place is essential to ensure health and safety throughout the entire marketing process. This project is an important step in improvement biosafety practices across the industry and strengthen health and safety while also supporting producers in their risk management processes.

The project aims to establish a shared biosafety protocol that accounts for the realities of individual auction sites as well as create an assessment checklist, support auctions throughout the protocol implementation process, and offer training to all relevant actors.

This project was funded by the MAPAQ as part of the 2023–2026 territorial and sectoral development program (Programme de développement territorial et sectoriel 2023-2026).

2.2 DAIRY CALVES

2.2.1 Veal quality

Results of the project to develop a certification program for operations putting high-quality calves to auction were presented to the Cull Cattle and Dairy Calves Marketing Committee (internally known as CMMBR). This R&D project was led in collaboration with the University of Montréal’s faculty of veterinarian medicine and was funded by the MAPAQ as part of the 2018–2023 sectoral development program (Programme de développement sectoriel 2018-2023). The project aimed to identify good dairy farm practices and improvements needed to optimize the quality of dairy calves produced in Quebec.

The quality of dairy calves put to market is an important concern for this sector. It was concluded that the context did not allow for the implementation of a certification program for farming operations, but project work will continue to identify the best means to promote the value of quality calves and reduce the number of lesser quality calves going to auction.

2.2.2 Beef crossed dairy calves

For a number of years now, the sector has monitored trends in the beef crossed dairy veal market. Angus-Holstein breeds are the most frequently seen, and demand has been maintained despite the increase in the number of calves at auction. That said, in an effort to offer producers complete information, potential crosses with Jersey, Ayrshire, and Brown Swiss breeds were also looked at. Working with the Jersey Québec association, French-language data sheets and a webinar were produced for raisers of coloured breeds and presented to each of the breed associations (<https://cutt.ly/taureau-boucherie>). A trip to the State of Idaho was arranged to visit several operations and abattoirs to learn more about the use of Charolais breed sires to inseminate Holstein and Jersey cows.

The dairy-crossed veal market was a topic of discussion during the event Le marché nord-américain de la viande bovine held in La Mauricie and in Outaouais. The cull cattle and dairy calf sector continues its work to offer dairy producers information they need to respond to questions from buyers and maximize their revenues.

CULL CATTLE AND DAIRY CALF

2.3 CULL CATTLE

2.3.1 Promoting *Bœuf du Québec*

A two-part advertising campaign was led from July 16 to December 15, 2024, on the Mangez le Bœuf du Québec Facebook page. Its goal was to support product sales for Viandes de l'Est (a Group ADEL brand) and promote the Bœuf du Québec sourcing certification logo. The first part of the campaign promoted ground beef as part of the BBQ season while the second part promoted it as part of everyday meals. Videos of a Quebec City-area butcher shop were also shared.

In 2025, Trois-Rivières will be host to the Jeux du Québec from July 25th to August 2nd. Its 3,500 athletes aged 12 to 17 along with all event volunteers will be sponsored by the Bœuf du Québec brand during the event.

2.3.2 Bœuf solidaire project

Inspired by the Viande solidaire du Syndicat des producteurs de bovins de l'Estrie project, and in collaboration with the Coaticook volunteer action centre Centre d'action bénévole de la MRC de Coaticook, the sector put together a Bœuf solidaire committee to promote similar initiatives across the province. The purpose of the Bœuf solidaire project is to promote the value of meat sourced from unfit or compromised cattle and supply beef products to food banks by supporting actors from the province's food bank association (Banque alimentaires du Québec, or BAQ) and from Moisson Québec. Project coordination was led by BAQ and pilot projects were initiated in a number of regions. The project also simultaneously promotes the value of cattle that would not otherwise be valued and the value of not wasting thousands of pounds of meat.

3. SECTOR ORIENTATIONS FOR 2025

3.1 DAIRY CALVES

3.1.1 Quality dairy calves

Working the milk-fed and grain-fed veal sectors, the dairy calf sector is taking part in discussion and coalition work tied to 2025–2029 strategic planning for the veal sector. Improving the welfare, health, and quality of dairy calves put to market in auctions is one of the sector's priorities. Work to come will focus mainly on improving information displayed in sales arenas and on raising producer awareness about the importance of bringing healthy calves to auction.

3.2 CULL CATTLE

The cull cattle sector wants to ensure that all marketable cattle are marketed in keeping with current legislation and regulations. Over the coming year, the selling agency will perform a careful review of regulations on the production and marketing of Quebec-produced cull cattle and dairy calves (Règlement sur la production et la mise en marché des bovins de réforme et des veaux laitiers du Québec) in an effort to improve conditions for marketing and ensure they are better organized and efficient, particularly in terms of unfit or compromised cattle.

3.2.1 Promoting *Bœuf du Québec*

The cull cattle and dairy calf sector continues its involvement in developing the collective *Bœuf du Québec* certification and establishing of new partnerships. A consultant was hired to help increase the use of the certification by abattoirs and processors as well as increase visibility of this new certification among distributors and retailers in an effort to promote sales across the province.

3.3 CULL DAIRY CATTLE BREEDER-FINISHERS PROJECT

A hybrid (in-person and virtual) information day will be held on April 7, 2025, in Drummondville, for dairy producers looking to finish their dairy calves into fed cattle. Presented in collaboration with the fed cattle sector, this event will include a panel discussion featuring producers, and talks from professionals from the fields of marketing, nutrition, sire selection, and fed dairy cattle health.

4. CONSULTATION ON RAISING THE SPECIAL CONTRIBUTION FOR THE PRODUCTION AND MARKETING OF DAIRY CALVES

Despite the increase in the number of dairy calves, the cull cattle and dairy calves selling agency finds itself at a critical financial crossroads. Revenues from contributions tied to dairy calves represent but a small portion of the agency's annual budget. The overall inflationary increase across all expense-side line items also adds pressure, along with expenses needed to improve IT security.

The volume of cull cattle put to market has dropped by about 11% since 2020 whereas the volume of dairy calves has increased by nearly 50% over the same period. The volume of cull cattle is projected to stay steady whereas the volume of dairy calves could fall, especially if the market price should fall over the coming years.

CULL CATTLE AND DAIRY CALF

The following table shows the agency’s revenues and expenses for the next five years if no changes are made to the special contribution for the production and marketing of dairy calves (the “Contribution”). Under these conditions, the selling agency’s asset/expense ratio will fall under 50% by 2028. The adopted 2025 budget includes no expenses tied to studies or special projects.

Projected budgets in absence of a contribution increase

	2025	2026	2027	2028	2029
Total Revenues	\$375,400	\$369,000	\$355,500	\$355,500	\$355,500
Cull Cattle	\$294,400	\$288,000	\$288,000	\$288,000	\$288,000
Dairy Calves	\$81,000	\$81,000	\$67,500	\$67,500	\$67,500
Total Expenses*	\$375,519	\$434,907	\$445,780	\$456,924	\$468,347
Surplus (Deficit)	\$(119)	\$(65,907)	\$(90,280)	\$(101,424)	\$(112,847)
Change in Asset Level	\$437,570	\$371,663	\$281,383	\$179,959	\$67,112
Asset/Expense Ratio	117%	85%	63%	39%	14%

Annual production figures used for projection:

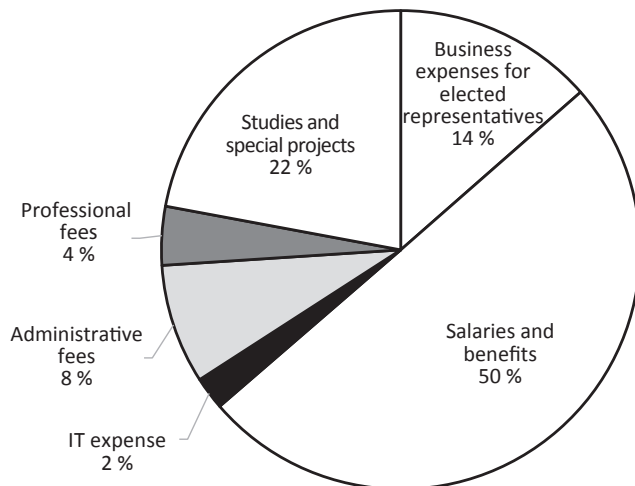
- Cull cattle: 92,000 in 2025 then 90,000 for subsequent years
- Dairy calves: 180,000 in 2025 and 2026 then 150,000 for subsequent years

\$50,000 was added to 2026 expenses and subsequent year expenses

*Based on a 2.5% inflation rate

The CMMBR reviewed the agency’s financial standing to establish how to maintain its engagement in the veal and beef sectors and improve budgetary equity between the cull dairy cattle, cull beef cattle, and dairy calf sectors. In the pie chart showing the share of the selling agency’s 2023 expenses, 74% of expenses tied to studies and special projects were geared towards improving production and marketing of dairy calves.

Share of the Selling Agency’s 2023 Expenses



An increase in funding through a contribution increase is needed. The proposed increase should allow the selling agency to maintain services offered to producers and should support participation in the work surrounding the two strategic planning exercises.

CULL CATTLE AND DAIRY CALF

Dairy calf marketing projects will be proposed as part of the veal sector’s 2025–2029 strategic planning exercise. IT expenses to support a sales arena display program for auction sites could also be foreseen in the coming years to help improve dairy calf marketing. Similarly, the beef sector is looking to rethink how unfit and compromised cattle are put to market in an effort to make the process more orderly and efficient.

For these reasons, the CMMBR recommends the Contribution be increased from \$0.45 to \$1.50, representing a \$1.05 increase per dairy calf put to market, effective November 1, 2025. Of note, the current \$0.45 contribution rate has been in place since May 1, 2008.

The following table shows how the selling agency’s projected budgets would look with a contribution increase of \$1.05 per dairy calf put to market.

Projected budgets with a \$1.50 contribution

	2025	2026	2027	2028	2029
Total Revenues	\$375,400	\$558,000	\$513,000	\$513,000	\$513,000
Cull Cattle	\$294,400	\$288,000	\$288,000	\$288,000	\$288,000
Dairy Calves	\$81,000	\$270,000	\$225,000	\$225,000	\$225,000
Total Expenses*	\$375,519	\$434,907	\$445,780	\$456,924	\$468,347
Surplus (Deficit)	\$(119)	\$123,093	\$67,220	\$56,076	\$44,653
Change in Asset Level	\$437,570	\$560,663\$	\$627,883	\$683,959	\$728,612
Asset/Expense Ratio	117%	129%	141%	150%	156%

Annual production figures used for projection:

- Cull cattle: 92,000 in 2025 then 90,000 for subsequent years
- Dairy calves: 180,000 in 2025 and 2026 then 150,000 for subsequent years

\$50,000 was added to 2026 expenses and subsequent year expenses

*Based on a 2.5% inflation rate

Do you agree with the Cull Cattle and Dairy Calves Marketing Committee’s recommendation to increase, effective November 1, 2025, the special contribution for dairy calf production and marketing by \$1.05 per dairy calf put to market?



YES



NO

5. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR ALTERNATE

5.1 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 cull cattle category;
- 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 have voting rights;
- Have paid the contributions outlined by the Joint Plan or, failing such, have taken legal action to contest them within 30 days of their invoice.

6. OTHER BUSINESS (AS APPLICABLE)



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REGULAR SALES

Cull Cattle and Dairy Calf
Monday and Wednesday

Feeder Calf
Friday

SAINT-HYACINTHE

Mr. Mario Maciocia
Director

5110, rue Martineau
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Telephone: 450 796-2612
Toll-free: 1 877 796-2612
Fax: 450 796-2298
reseauencanquebec@cgocable.ca

REGULAR SALES

Cull Cattle and Dairy Calf
Monday and Wednesday

DANVILLE

Mr. Edoardo Maciocia
Director

1451, route 116
Danville (Québec) J0A 1A0
Telephone: 819 839-2781
Fax: 819 839-3849
encan@qc.aira.com

REGULAR SALES

Cull Cattle and Dairy Calf
Tuesday



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of Les Producteurs de bovins du Québec*



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