

GRAIN-FED VEAL PRODUCERS WORKSHOP

Proposed Agenda

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 - INPACQ Day
 - 2.3 Historical Production Data
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 - 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
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6. ELECTION OF THE COMMITTEE REPRESENTATIVE AND THEIR ALTERNATE
 - 6.1 Eligibility Requirements
7. OTHER BUSINESS (AS APPLICABLE)



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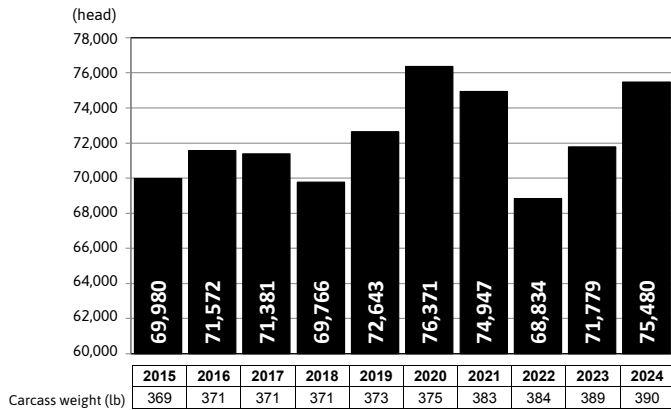
1. STATE OF THE MARKET IN 2024

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.

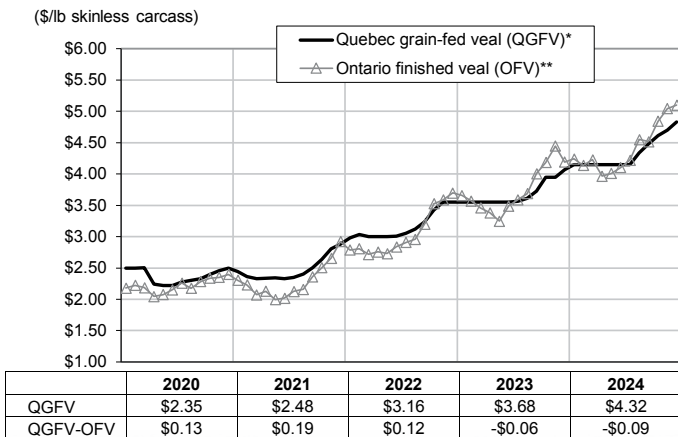
Figure 1: Quebec grain-fed calf production trends



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.

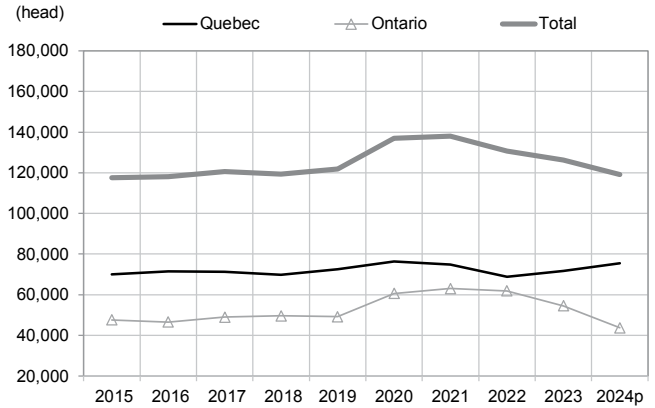
Figure 2: Price of Quebec and Ontario grain-fed calves



* 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.

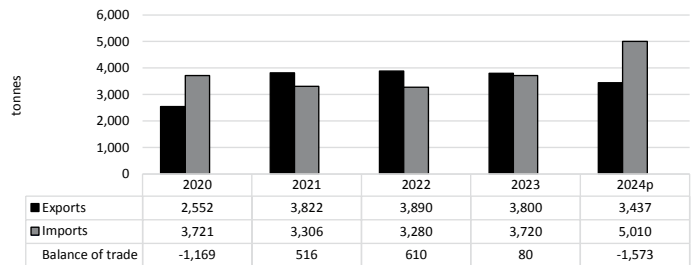
Figure 3: Grain-fed calf production comparison – Quebec versus Ontario



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.

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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;

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- 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)