

MILK-FED VEAL PRODUCERS WORKSHOP

Proposed Agenda

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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

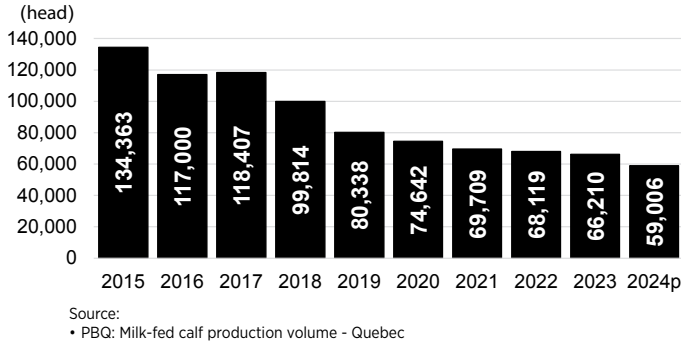
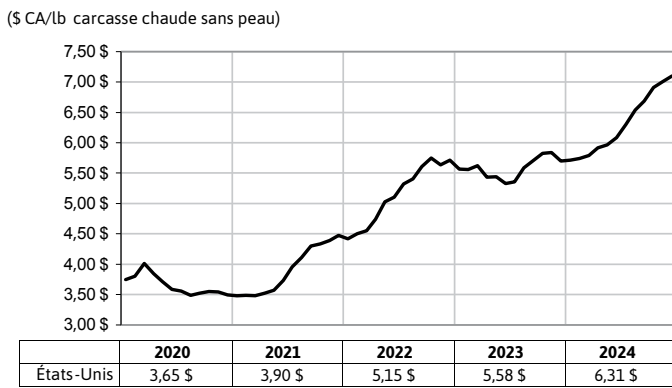


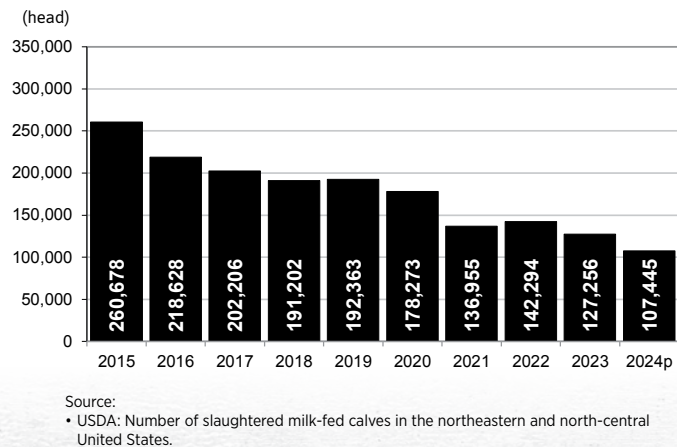
Figure 2: Price of milk-fed calves in the US*



* 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.

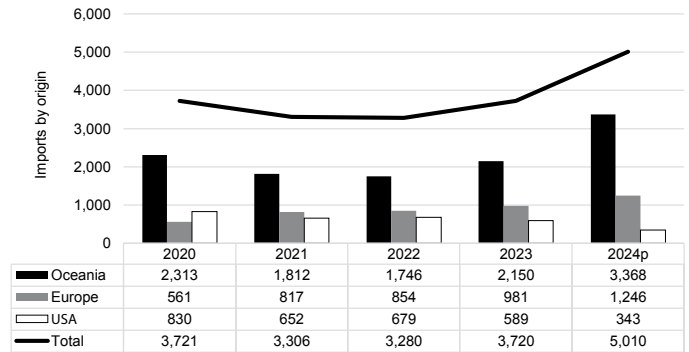
Figure 3: US production of milk-fed calves



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.

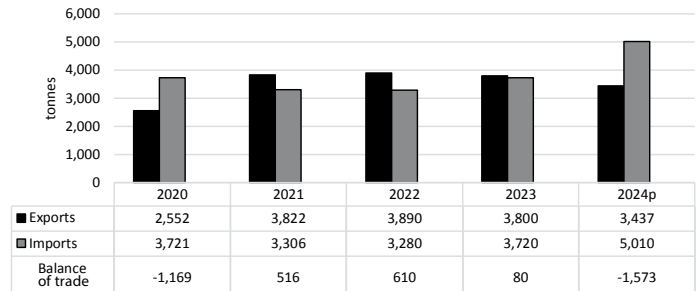
International Trade

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 abomasum 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;

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- 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)