

ANNUAL REPORT

2021-2022

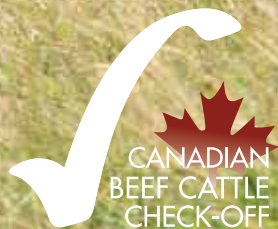


TABLE OF CONTENTS

2	Message from the Chair
4	Message from the General Manager
6	Agency Members
8	Market & Industry Overview
14	Agency Overview
20	Market Development & Promotion
24	Research
28	Public & Stakeholder Engagement
32	Provincial Investment
44	Financial Statements



The Canadian Beef Cattle Check-Off is managed and administered by the Canadian Beef Cattle Research, Market Development and Promotion Agency, operating as the Canadian Beef Check-Off Agency (the Agency).

The Canadian Beef Cattle Check-Off is a mandatory levy collected on cattle sales throughout Canada to fund research and marketing activities on behalf of the entire industry. It is collected from cattle producers by provincial organizations when they market their cattle, using their existing collection systems involving auction markets, order buyers, brand inspectors and others who handle cattle sales.

The goal of the Canadian Beef Cattle Check-Off is twofold – to increase sales of domestic and export beef, and to find better, more efficient methods of producing beef and beef cattle. The Canadian Beef Cattle Check-Off is a critical source of revenue to fund initiatives that advance the industry and build strong markets for Canadian cattle and beef.

By working with service providers, the Agency ensures that check-off dollars are invested into research, market development and promotion programs that deliver measurable value to Canadian producers.

The Agency also collects an import levy on cattle, beef and beef products coming into Canada. Import levy dollars are invested into generic beef programs that do not bear the Canadian Beef brand mark, such as culinary skills, and health and wellness.

This 2021/22 annual report from the Agency provides a summary of programs and results of Canadian Beef Cattle Check-Off funded activities between April 1, 2021 and March 31, 2022.

MESSAGE FROM THE CHAIR



Chad Ross,
Beef Producer, Saskatchewan

Back in 2019 when I became the Chair of the Canadian Beef Check-Off Agency, things looked a little different. I was elected during the Canadian Beef Industry Conference in Calgary, with well over 500 people in attendance. We were all meeting together, shaking hands, asking our friends from other provinces about their summer pastures, discussing market prices, and sitting side by side sharing ideas on how to grow our industry.

It's now 2022, and I'm wrapping up my third and final year as Chair of the Agency. We are coming upon our first in-person AGM in three years, and many of us haven't been

to an in person meeting with more than a handful of close friends or colleagues in the same amount of time. We have logged into countless Zoom meetings and live webinars, shared our screen hundreds of times and missed the handshakes and coffee with cattlemen and women from other provinces.

While the way we did business for a few years has changed, one thing has remained steadfast: the Agency's commitment to provide measurable value to Canadian beef and veal producers from coast to coast. The Agency Members continue to show that they are here to get to work, and engage fully into managing the Agency in a way that delivers the most value to our industry.

Last year we were able to focus solely on the business of check-off and import levy administration. Our new bylaws that we put in place shortly after last year's AGM further enhanced our ability to focus on the mission of the Agency, and really show that we are in a good place from a governance and structure perspective.

Our service providers at Canada Beef, the Beef Cattle Research Council (BCRC) and Public and Stakeholder Engagement (PSE) continue to do great work on behalf of the industry. Canada Beef has implemented a provincial marketing alliance framework that was developed to collaborate better across the industry, particularly with provinces that have defined marketing programs of their own. BCRC continues to fund research that directly impacts beef producers' bottom line in Canada, and conducted 18 research, extension and science coordination projects under the Beef Science Cluster last year. The PSE team continues to show value in public engagement, with incredibly successful projects like the *Guardians of the Grasslands*, and the most recent short documentary, *Too Close to Home*, focusing on how cattle production can help mitigate environmental concerns like wildfires.

The Agency also spearheaded another five-year value review of check-off and import levy investments, and we are pleased to see strong returns for our industry. With a new methodology in place that will allow for growth and flexibility as our service providers continue to invest into new priorities, the study showed an overall benefit-cost ratio (BCR) of 33:1 for the industry. While the new methodology does not allow for simple BCR comparisons to previous studies, we are confident that the study takes into account the most up to date methods for value measurement. By providing ongoing measurements for our industry, the Agency continues to show the value of check-off and import levy investments today, and as we continue administering the levies on behalf of our industry.

Another thing I would like to highlight from the past year is the work that the Agency did to reduce the administration revenue collected by the Agency. We worked hard to become more efficient through the pandemic, and have just reduced our administration from 5% to 4.5%. This means that more check-off dollars will go to research, market development and promotion on behalf of beef and veal producers in Canada going forward. We are proud of this accomplishment – it is our goal to deliver as much value through program investment to our industry as we can, and I can confidently say we are doing right by the producers in this country.

I would also like to take a moment to recognize the staff at the Agency. Melinda, Tayla and Emily have continued to do great work for our industry. I also appreciate everything they have done to help support me in my three years as Chair. It has been a heck of a ride, and I am so glad I had a solid team behind me.

Lastly, I want to thank every one of you who is a part of Canada's beef and veal industry. The last three years have been trying – this past year especially – as we dealt with a pandemic, price fluctuation, less than ideal weather and other things we just can't control. It has been incredibly encouraging to watch how our industry comes together to celebrate our achievements, and more importantly, to work together on battling challenges. The passion and dedication we all have to our industry is unmatched, I see the same passion for what we do at pasture brandings as at national industry meetings, and everywhere in between. We are resilient and we are strong. I could not be more proud than to represent such an incredible industry of people for the last three years, and I am excited to see where we go next.

Though this is the end of my ride as the Agency Chair, I'll continue to represent Canadian beef and veal producers here at the Agency, as well as at home in Saskatchewan. I will continue to be a vocal supporter of the check-off and import levy, and am encouraged by the next generation of beef and veal producers in our country. We are in good hands.

Thanks for the ride, Canada.



Chad Ross
Chair

MESSAGE FROM THE GENERAL MANAGER



Melinda German

Since the day that we implemented our mission statement of providing “transparent and prudent management” of the check-off, that has been the most important part of what we do.

Five years ago, we restructured the governance of the Agency to better align with the unique needs of our stakeholder groups and increase the separation and transparency of the Agency from the marketing arm of the organization. The structure change has proven to deliver on those unique needs, and our governance processes have strengthened to allow the Agency and our Marketing Committee to operate separately, yet work together in a very positive way.

“ We continue to work in tandem with our provincial partners and national service providers to communicate the value of check-off across the country.

Along the same lines, we are committed to continuing to ensure that we are maintaining a strong and functional governance system at the Agency and within our committees. We have begun a review of our systems put in place to ensure transparency with our Marketing Committee, and allowing them the ability to oversee the market development and promotion work done by Canada Beef without challenges or roadblocks that sometimes come with governance processes. The structure review is not happening because we see any hurdles at this time, rather to make sure that we are ahead of them and do our best to be proactive instead of reactive if challenges arise.

With the governance aspects of the Agency ticking along as we feel they should be, it has allowed the Agency to focus on administration. We were able to add the administration of pork's import levy to our portfolio, which delivers a new stream of revenue for the Agency. Because the system was already in place with beef, and we had already forged many of the relationships with those involved with administering import levies, the additional administration of pork was a no-brainer for us to share our skills and knowledge with another agriculture organization with similar goals.

Another area we are able to share skills and knowledge is through our audit and inspection program. Last year, we trained two new inspectors to help us deliver on our goals of educating and communicating directly with remitters about check-off compliance framework. Our goal, first and foremost, is working with provincial associations and their remitters to understand the processes and procedures of check-off collection. This often means friendly audits and a lot of support to help those who need it get on the right track.

Our work on improving the beef import levy collection continues as well. We have seen substantial growth in compliance with the import levy in the past few years, and we continue to find ways to work more collaboratively with our partners at Agriculture and Agri-Food Canada (AAFC) on processes and procedures. AAFC has proven to be such a valued partner for the Agency. They are always helping us find ways to make import levy collection simpler and more transparent. The value of the import levy continues to grow, which means we always need to keep a watchful eye on remittance and compliance. With the addition of our new inspectors, we have additional support in areas where collection might be an issue.

We continue to work in tandem with our provincial partners and national service providers to communicate the value of check-off across the country. The recent study measuring the benefit-cost ratio of the industry's check-off and import levy investments shows a strong return of 33:1, with the new methodology. This points to the smart investments made by Canada Beef, the Beef Cattle Research Council (BCRC) and Public and Stakeholder Engagement (PSE) team on behalf of Canadian beef producers, and importers. The Agency is committed to delivering measurable value to the industry, and renewing these studies every five years act as tools which we can use to quantify the benefits across the country.

I do want to take a minute to thank our Agency Members who have remained engaged through conference calls and video calls, email votes and remote work schedules through the pandemic. While it has been tough to get used to, I can confidently say that our board has been committed to the work the Agency does, even if the process looks a little different than it has in the past.

I am looking forward to really diving into the new five-year goals that will drive the Agency out of the pandemic era and into 2027. The new goals focus on the Agency's sustainability with succession planning, showcasing the value of check-off and import levy investments, and working to deliver a unified check-off and import system. The plan gradually builds on previous years' successes, and I believe that beef producers in Canada can be proud of the plan their Agency representatives have built.

The Canadian beef industry continues to show strength and resolve as we come out of three years of doing things differently from what we ever have before. Through this, we learned how to be more flexible and more efficient, two lessons which we are going to carry with us going forward.

We will continue delivering measurable value for our industry, and work hard for those who put their trust in us to do the right thing on their behalf.



Melinda German
General Manager



AGENCY MEMBERS

The Agency's board consists of 16 Agency Members from across Canada. Ten seats are allocated to producers nominated by their provincial cattle associations, and six are representatives from the Canadian Meat Council (CMC), importers and retail and foodservice operators. These six representatives are nominated by their respective organizations, or by the delegates at the Annual General Meeting.

The Board works both as a whole, and through focused advisory and operational committees to achieve its mandate. The Governance Committee and Finance Committee operate as advisory committees, and are made up of Agency Members only. The one operational committee, the Marketing Committee, is made up through an appointment of Agency Members and veal representation, and an election of producers and members-at-large. The Marketing Committee is responsible for the oversight of Canada Beef, the organization tasked with investing check-off dollars into market development and promotion. The members of this committee come from the best of the best in beef and marketing, ensuring that the Canadian beef and veal industry receives strong value from their marketing investment through check-off.

2021/22 Board



Chair: Chad Ross,
Saskatchewan



Vice Chair: Jeff Smith,
Alberta



Terry Wiebe,
British Columbia



Sheila Hillmer,
Alberta



Mary Paziuk,
Manitoba



Jack Chaffe,
Ontario



Kirk Jackson,
Quebec



Trevor Welch,
New Brunswick



Larry Weatherby,
Nova Scotia



David Francis,
Prince Edward Island



Coral Manastersky,
I.E. Canada



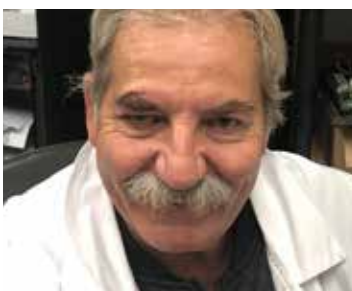
Russ Mallard,
CMC



Mike Kennedy,
CMC



Andre Forget,
CMC



John Curtis,
CMC



Stephen Christie,
Retail and Foodservice Sector

A photograph of a herd of cattle, including several brown and white cows, standing in a lush green field. The background shows a line of trees under a blue sky with scattered clouds. The title 'MARKET & INDUSTRY OVERVIEW' is overlaid in large white letters.

MARKET & INDUSTRY OVERVIEW

Prepared by Canfax Research Services

Cattle prices and feed costs up from 2020

Cattle markets in 2021 were impacted by dry conditions, rising feed costs, shrinking cattle inventories and strong international beef demand. Fed markets strengthened from 2020 but margins were squeezed as inputs climbed faster. In 2021 the Alberta fed steer price at \$156/cwt was the highest since 2015, up \$17.50/cwt from 2020. The Ontario fed steer price at \$154/cwt, was up \$8.76/cwt from 2020. Ontario fed cattle prices were at a discount to Alberta for the first half of 2021 but switched to a premium in the second half.

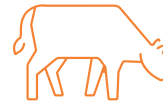
The feeder market faced headwinds from a strong Canadian dollar, high feed costs, and continued feedlot losses. Despite the headwinds, pricing remained relatively steady with the five-year average supported by a strong futures board. In 2021, the Alberta 850-pound steer price was \$185/cwt, up \$6/cwt from 2020 and up \$1.58/cwt from the five-year average. The Ontario 850-pound steer price at \$185/cwt was up \$2/cwt from 2020 and up \$0.57/cwt from the five-year average. Feedlots began to fill early in August with higher auction volumes keeping calf prices under pressure as the impact of drought was realized. The Alberta 550-pound

steer price averaged \$224/cwt in 2021, roughly \$3/cwt higher than 2020 and the five-year average. The Ontario 550-pound steer price was \$218/cwt in 2021, \$2.31/cwt lower than 2020 but up \$4.80/cwt from the five-year average. The feeder basis weakened in the second half of 2021, encouraging large feeder exports to the U.S. from August through December.

Beef Production Increased as Cattle Inventories Declined

Beef production (domestic plus live slaughter exports) in 2021 was up 3.8% from 2020 to 3.53 billion pounds. Cattle slaughter was strong with slaughter utilization at 94%, the highest on record (since 2004). Utilization ran over 100% in 14 out of 52 weeks. Domestic production (excluding offal) was up 5.6% to top 3 billion pounds, the highest domestic production since 2005. Live slaughter exports were down 8.5% to 400 million pounds. Fed production was up 3.9% and non-fed production was up 3.4%. Canadian steer carcass weights averaged 920 pounds, three pounds heavier than 2020 and the highest on record.

Total cattle and calf inventories on January 1st, 2021, were down 0.5% to 11.1 million head, one-quarter (25.7%) lower than peak inventory in 2005. Beef cow inventories were down 1% to 3.5 million head, the smallest number since 1990. Although, Census of Agriculture 2021 data indicates that the number of beef cows may be corrected to 3.78 million head in 2021, the highest number since 2014, so we'll look for revisions from Statistics Canada. Beef replacement heifers were down 4% to 517,300 head, offsetting the 4.1% increase in beef replacement heifers in 2020. There was a 1.3% decrease



\$156/cwt

Alberta fed steer price in 2021

↑ 5.6%

increase in domestic production

\$3.53 billion

total annual Canadian beef production

\$224/cwt

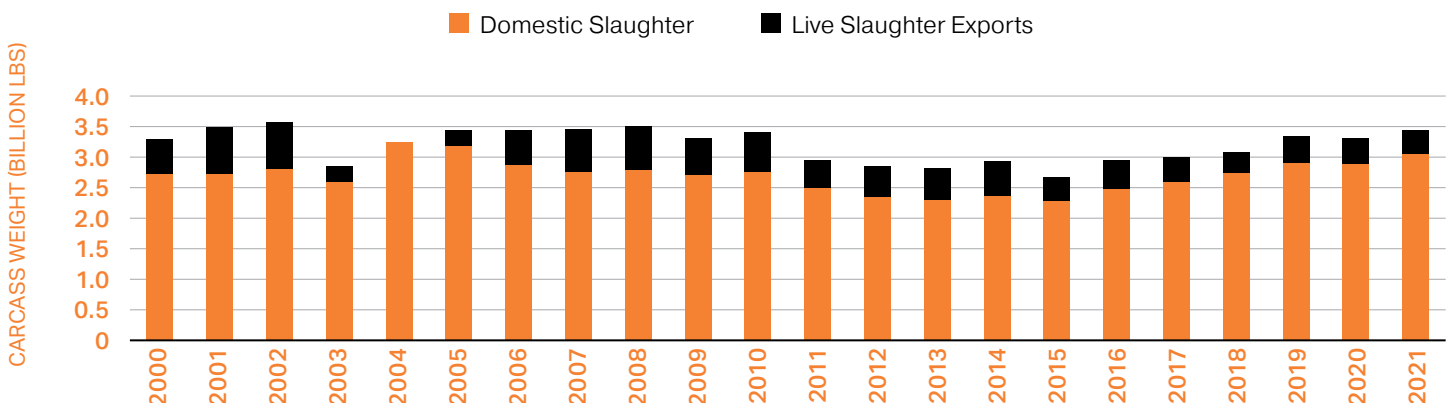
Alberta 550-pound steer price in 2021

11.1 million

total cattle and calf inventories

CANADIAN BEEF PRODUCTION

Source: Canfax Research





919,720 tonnes

total Canadian beef consumption in 2021

\$4.45 billion

total value of Canadian beef and veal exports

\$1.42 billion

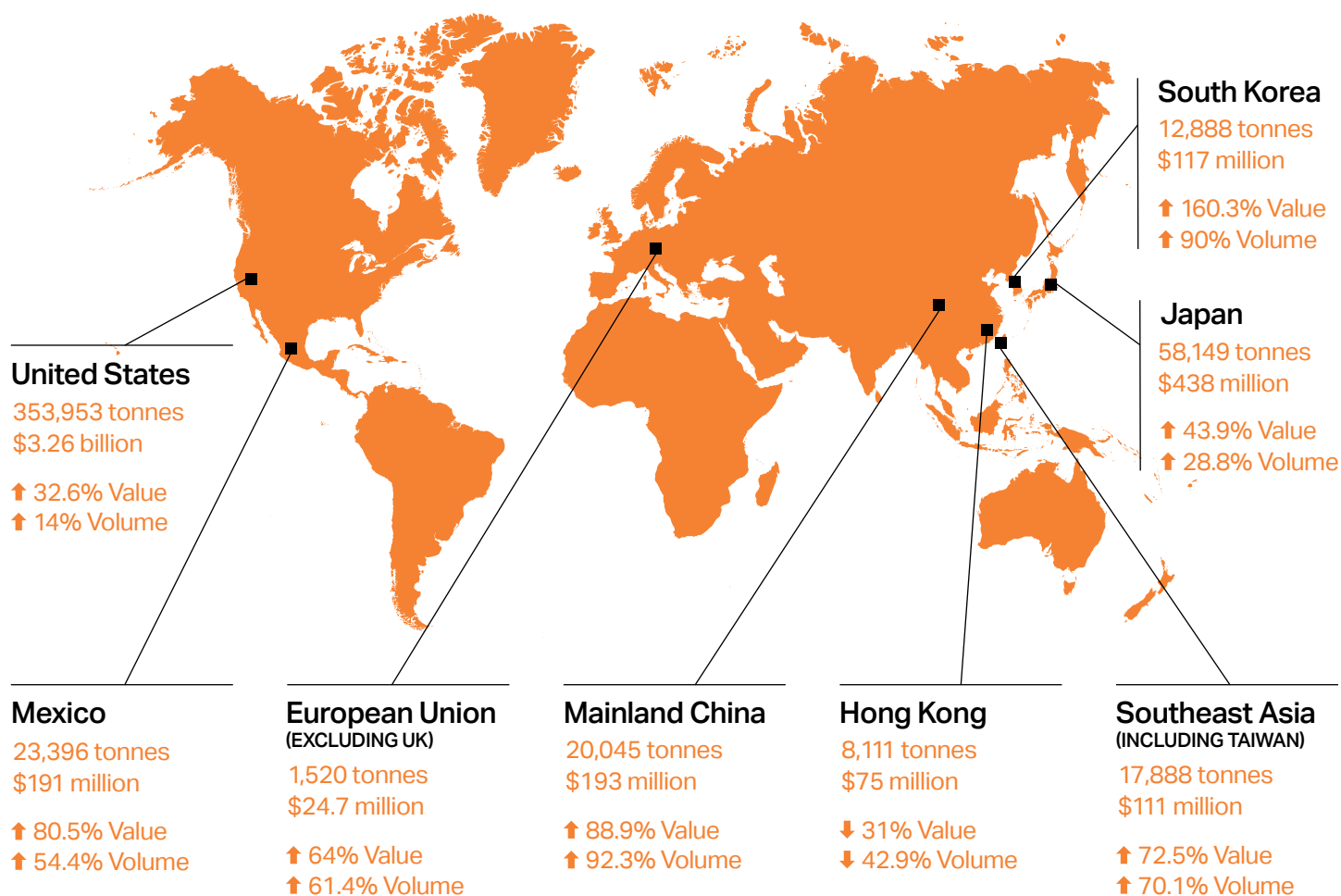
total value of Canadian beef imports

in total beef breeding females to four million head. The beef cow culling rate increased from 11.4% in 2020 to 13% in 2021 with cow slaughter rebounding as drought impacted winter feed availability and pasture conditions deteriorated.

Domestic Demand Waned but International Demand Surges

Total Canadian beef consumption in 2021 was down 6.6% to 919,720 tonnes (carcass weight) with increased exports and decreased imports. Per capita consumption decreased 7.2% to 16.9 kgs in 2021. Beef prices were higher each month in 2021 than 2020 (except May and June, with June 2020 remaining the highest beef price on record). Deflated retail beef prices were up 2.1% in 2021. Higher retail prices combined with lower per capita consumption meant retail beef demand was down 3%. At 120 on the retail demand index (2000=100), beef demand in 2021 was still historically high comparatively within the last three decades. In 2021, international beef demand was up 14.5% with beef and veal

2021 BEEF EXPORTS



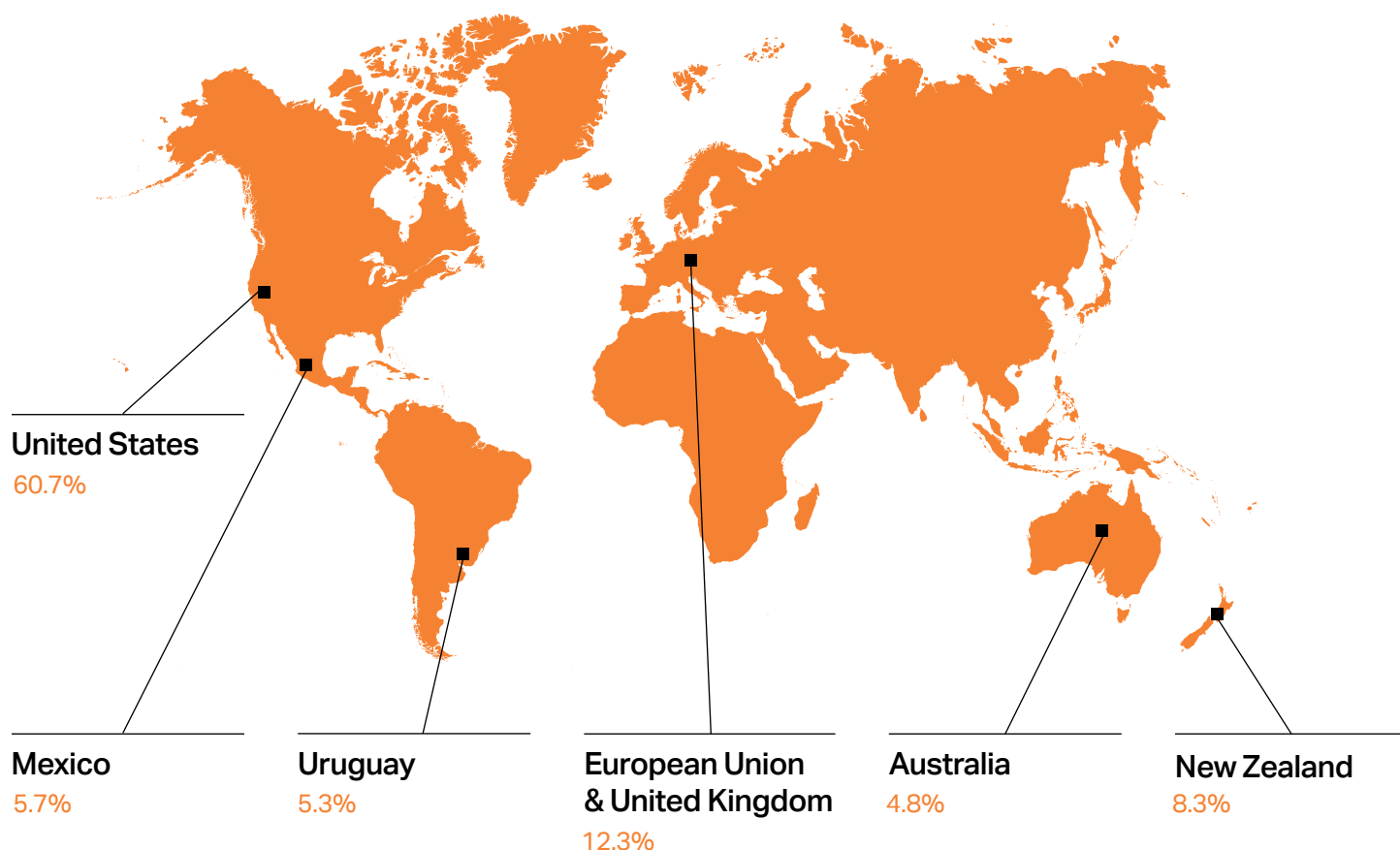
The U.S. continued to be the top export market for Canadian beef, accounting for 70% of total exports.

exports up 19% in volume and 37% in value at 506,578 tonnes (product weight) valued at \$4.45 billion. The average export price surged 15% to \$8.79/kg in 2021.

The U.S. continued to be the top export market for Canadian beef, accounting for 70% of total exports. Japan remained the second largest market at 11.5% of total exports, followed by Mexico (4.6%), China (4.0%), and Southeast Asia (3.5%). Exports to the U.S. were up 14% in volume and up 32.6% in

value to 353,953 tonnes valued at \$3.26 billion. Exports to Japan were up 28.8% in volume and 43.9% in value to 58,149 tonnes valued at \$438 million. Exports to Mexico were up 54.4% in volume and 80.5% in value to 23,396 tonnes at \$191 million. Exports to mainland China were up 92.3% in volume and 88.9% in value to 20,045 tonnes at \$193 million. Exports to Southeast Asia (including Taiwan) were up 70.1% in volume and 72.5% in value to 17,888 tonnes at \$111 million. Exports to South Korea were up 90.0% in volume and

2021 BEEF IMPORTS



The U.S. remained Canada's largest import beef supplier, accounting for 60.7% of imports.

160.3% in value to 12,888 tonnes at \$117 million. Exports to the European Union (EU) (excluding the United Kingdom) were up 61.4% in volume and 64% in value to 1,520 tonnes at \$24.7 million. Exports to Hong Kong were down 42.9% in volume and down 31% in value to 8,111 tonnes valued at \$75 million.

Beef imports were down 14.6% in volume and 6.6% in value to 161,431 tonnes valued at \$1.42 billion. The U.S. remained Canada's largest import beef supplier, accounting for 60.7% of imports. The EU+UK was Canada's second largest import supplier accounting for 12.3% of total imports; followed by

New Zealand (8.3%), Mexico (5.7%), Uruguay (5.3%) and Australia (4.8%).

Canada's net beef trade volume was up 46.3% from 235,990 tonnes in 2020 to 345,146 tonnes in 2021. Net trade value was up 74.7% from \$1.74 billion in 2020 to \$3.03 billion in 2021. Historically it was an exceptional year for Canadian beef trade; net trade volume and value were up 54% and 114% respectively from the five-year average.

First Quarter 2022

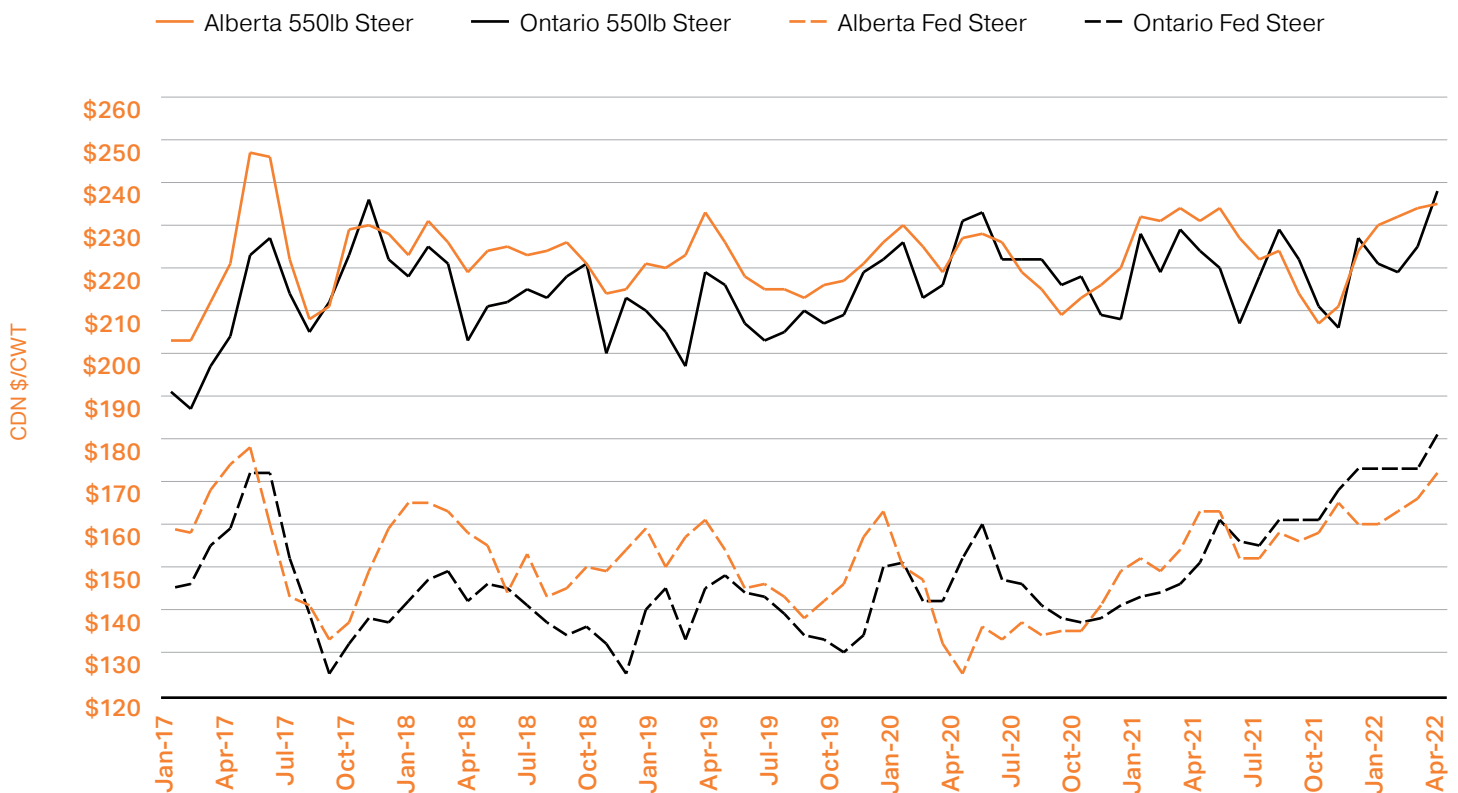
Tightening North American cattle supplies and continuing strong international demand are expected in 2022. Domestically, in the short-term, the Canadian economy shows improvement, with Gross Domestic Product (GDP) up 3.6% in the first quarter of 2022 compared with 2021, and well above 2019 levels. The highest inflation in decades is certainly driving GDP growth. The same inflation will also risk eroding household savings and disposable income. Canadian GDP is forecast to grow between 3 and 4% in 2022.

Cattle slaughter in the first quarter of 2022 was up 5% from a year ago. Cattle prices, while steady to stronger than year ago, don't reflect producer margins that remain challenging. In May 2022, Lethbridge barley prices surged higher to \$469/tonne, averaging around \$450/tonne throughout 2022. Barley prices in May 2022 were up 34% from a year ago (and Barley prices in May 2021 were already up a whopping 48% from May 2019).

While barley has skyrocketed and remained high, Ontario corn pricing has been more volatile. In May, Ontario corn prices averaged \$384/tonne, up 10% from a year ago in May (when Ontario corn prices were nearly double from May 2019).

Beef and veal exports continue strong in 2022, up 10% in volume and 40% in value from last year. The cattle market is adapting to conditions of available feed and input prices in the context of record high international demand for beef. The outlook is for tighter supplies, for both feed and beef, moving into the second half of 2022 and 2023, where beef will go to the highest global bidder. The domestic beef market will face headwinds if economic performance in the U.S., South Korea, Japan, and China, keep pace with today. As the Canadian dollar rebounds to near \$0.80 this June, a higher dollar would also create headwinds for Canadian exports and the cattle market.

ALBERTA AND ONTARIO FED STEER





AGENCY OVERVIEW



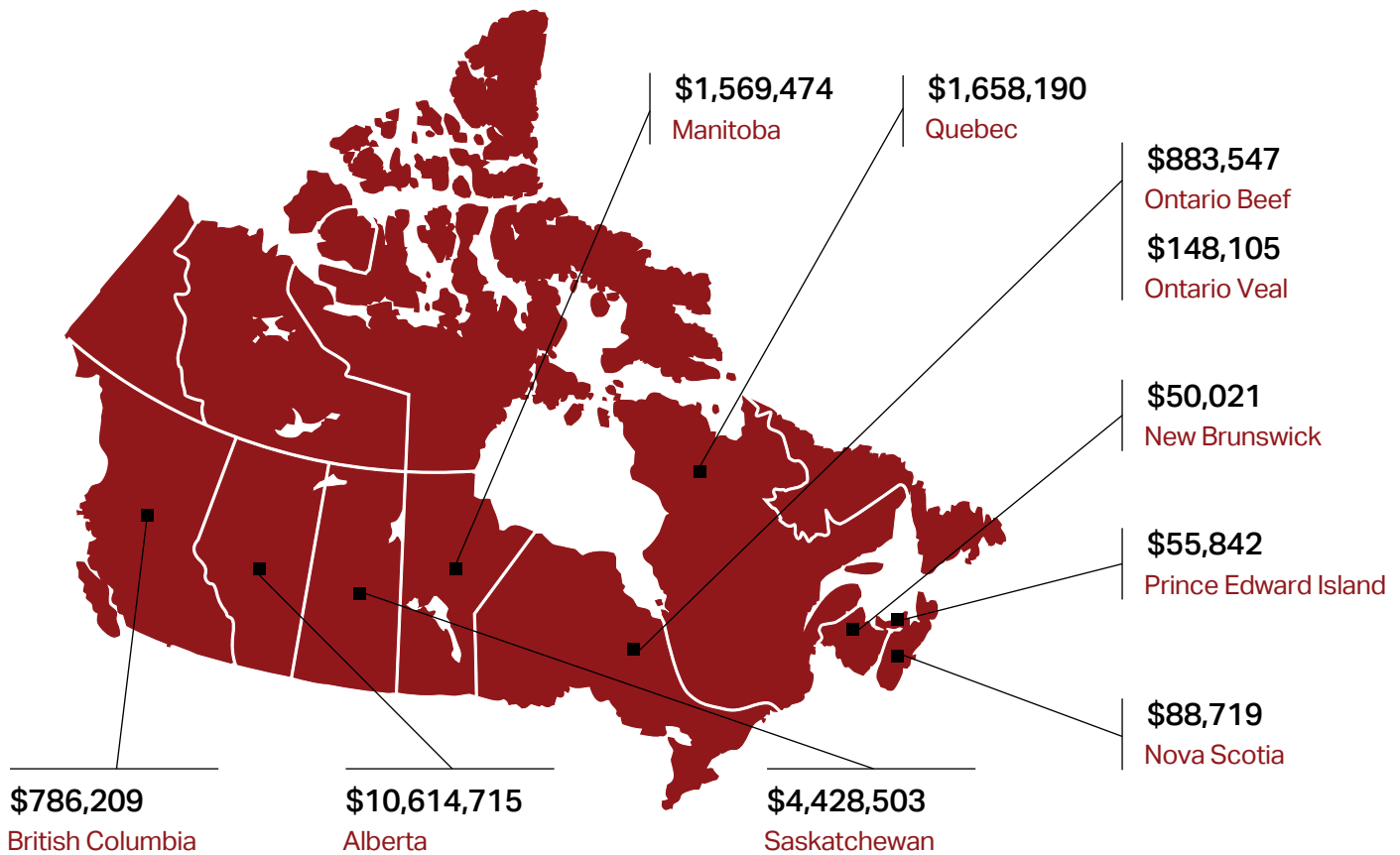
In 2021/22, the Canadian Beef Cattle Check-Off revenue totalled \$18,875,628 on cattle marketed, net of the provincial portion of the federal levy.

The import levy on beef cattle, beef and beef products imported into Canada was collected at a rate of \$1 per head equivalent, for a total of \$1,065,059. These funds, net administration, are allocated to unbranded, generic beef marketing such as nutrition marketing, recipe development and culinary skills education.

\$675,454 was spent on the administration of the Canadian Beef Check-Off Agency and the Board, which was under budget by \$197,696.

CHECK-OFF AND IMPORT LEVY

Check-off is collected on all cattle marketed in Canada, and the import levy is applied to all beef cattle, beef and beef products imported into the country.



\$1,065,059

imports

\$20,283,325

total Check-Off

\$21,348,384

total revenue

ALLOCATION OF REVENUE

The total check-off funds collected from cattle marketings were allocated as:



55%

to market development and promotion

27%

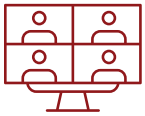
to research

12%

retained by provincial cattle associations for regional marketing and research

6%

to public and stakeholder engagement



30

virtual board and committee meetings held in the past 12 months

2

new inspectors trained for the Agency's audit and inspection program

\$33:1

total benefit-cost ratio of the check-off and import levy in Canada

Administration

With the continuation of interrupted business caused by the COVID-19 pandemic, it was up to the Agency to find ways to ensure that business could continue as usual, while reducing time in the office and face to face meetings as much as possible. The Agency held over 30 virtual board and committee meeting in the past 12 months, but the level of engagement of Agency and Committee Members stayed strong, proving that meeting remotely allowed Members to accomplish more with less. The Agency made a partial shift back into the office and in-person meetings, and will continue to find the right balance to be as efficient as possible, while fostering a culture of collaboration and transparency.

Through the increased board engagement, the Agency was able to develop a new set of strategic five-year goals. It includes many aspects of the Agency's business, such as succession planning both at a board and staff leadership level, obtaining national treatment with check-off collection and the import levy, a strong plan for the growth of the Agency's audit and inspection program, and a strategic communications program that will gain strength over the next five years.

The Agency focused again on regulatory compliance of both check-off and import levy collections. Two new inspectors were trained for the Agency's audit and inspection program, which works on improving remittance compliance through an



“

The Agency Committees continue to work on developing policies and procedures to ensure the organization remains relevant, engaging and actively represents the unique needs of Canadian beef producers and importers.

“education first” approach with a combination of field inspections and desk audits.

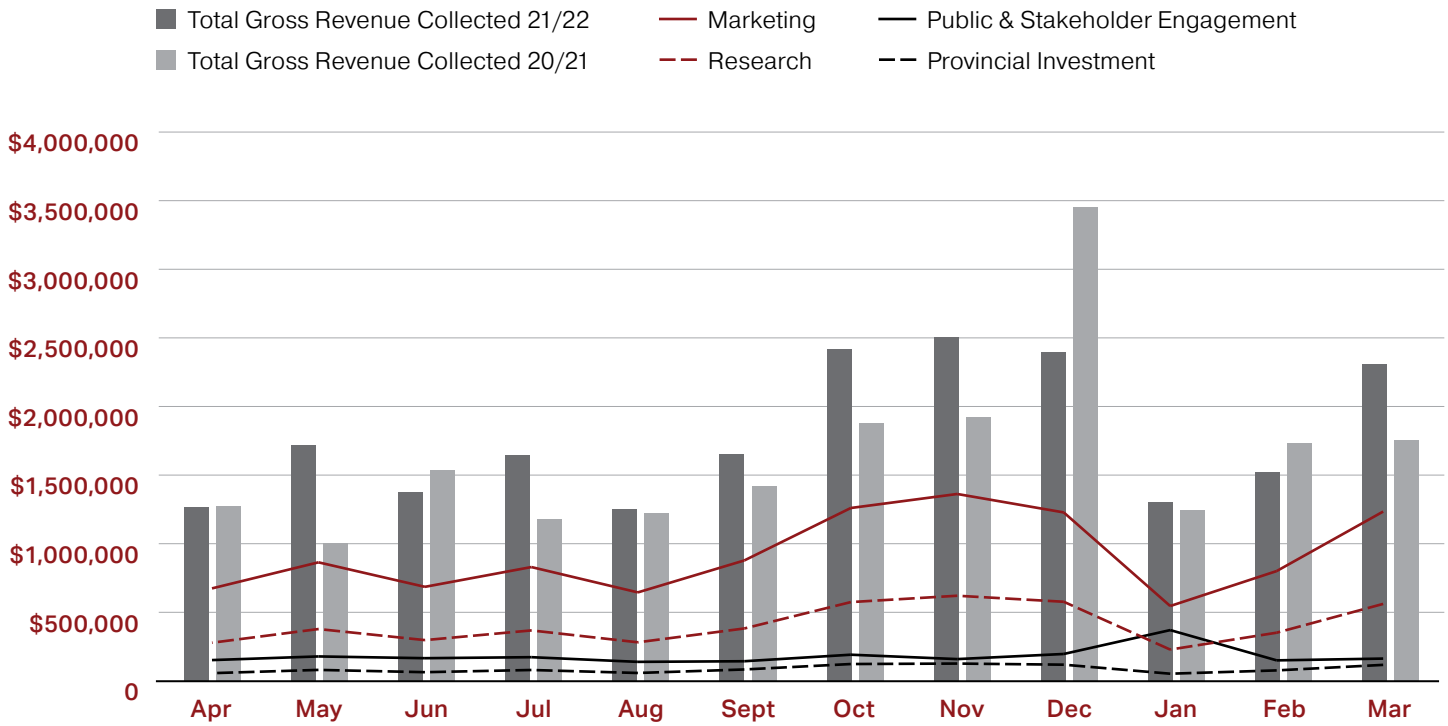
The Agency is now also managing the administration and collection of the pork import levy in Canada, which serves as a new source of revenue for the Agency. By working closely with the Canadian Pork Promotion and Research Agency (PPRA), it was determined that the processes and procedures in place at the Agency, as well as the relationships already formed with importers, would make for a simplified process in the collection of both levies by the same organization. The Agency signed a service agreement and began setting up the pork import levy process in 2021, and will be going live with collections in 2022.

The Agency also completed another study to evaluate the benefits of the beef check-off in Canada, with the results ready just after the close of the fiscal year. For this study, a new methodology was put place by new researchers, and involved the analysis of more data than ever before in these studies.

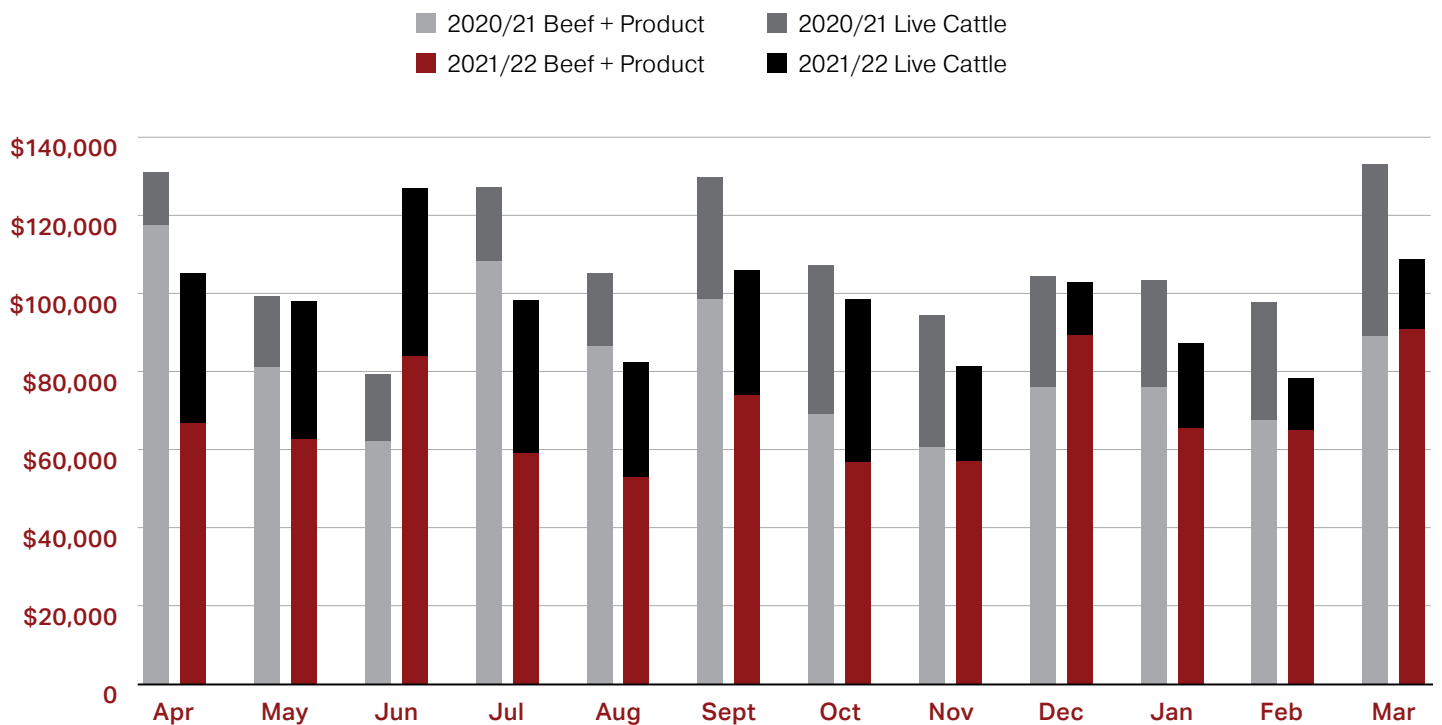
Ultimately, researchers found that the total benefit-cost ratio of the check-off and import levy in Canada was \$33:1, which shows there is strong value for the investments made into the Canadian beef industry. More details on the methodology and results can be found online at cdnbeefcheckoff.ca/value.

The Agency Committees continue to work on developing policies and procedures to ensure the organization remains relevant, engaging and actively represents the unique needs of Canadian beef producers and importers. The Agency recently made changes to the bylaws, ensuring that the operation of the organization meets the unique needs and mandates of industry stakeholders. Bylaw changes strengthened governance around succession planning and committee appointments, as well as opening the door to a broader range of skilled industry players to be nominated for Agency and Marketing Committee roles.

TOTAL REVENUE COLLECTED VS SERVICE PROVIDER DISTRIBUTIONS

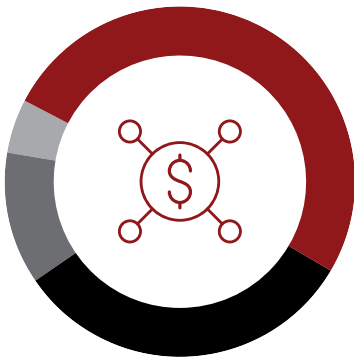


ANNUAL IMPORT LEVY COMPOSITION





SERVICE PROVIDER DISTRIBUTIONS – 3 YEAR AVERAGE



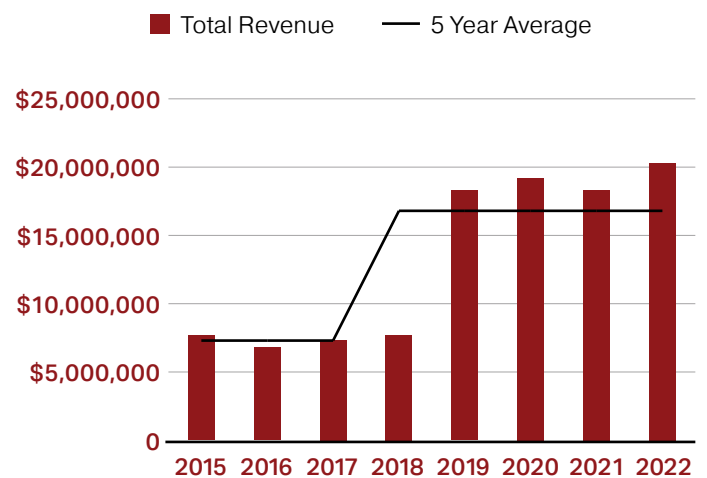
51%
marketing

32%
research

12%
provincial
investment

5%
PSE

TOTAL REVENUE VS 5 YEAR AVERAGE





MARKET DEVELOPMENT & PROMOTION

Total investment: \$10,980,440 (check-off and import levy)

Canada Beef delivers its business strategy by leveraging Canadian beef and veal brands through consumer marketing and market development activities in Canada and key export markets around the world. These efforts increase awareness and demand for Canadian beef and veal and the value producers receive for their cattle.

Since early 2020, when the effects of the COVID-19 pandemic first began to manifest themselves, nations around the world have struggled to deal with the fallout of the virus on all aspects of society. Nearly two years on since the initial call for “two weeks to flatten the curve,” the pandemic continues to defy efforts to fully manage and control its spread and impact.

“ During the 2021/22 fiscal year, Canada Beef remained responsive by pivoting and repositioning marketing efforts on a continual basis to provide proactive solutions to the pandemic challenges.

It is within this market context that Canada Beef worked with cattle, beef and veal sector groups, other commodities, downstream value chain partners, government, and stakeholder partners to collaboratively find a way forward. During the 2021/22 fiscal year, Canada Beef remained responsive by pivoting and repositioning marketing efforts on a continual basis to provide proactive solutions to the pandemic challenges.

Additional uncertainty arrived in December when despite Canada's Negligible Risk status, a handful of international markets temporarily suspended imports of Canadian beef following the detection of a case of atypical bovine spongiform encephalopathy (BSE). While the majority of this market access resumed in January, progress in China remained stalled at our fiscal year end. Despite the loss of access to China, beef exports from January to March 2022 were up 10% in volume and 40% in value from last year, indicating that other markets had more than made up for the decline in the wake of 2021's record setting exports.

Here at home, escalating inflationary pressures added to existing pandemic challenges that, along with strong international demand for beef, kept upward pressure on animal protein prices.

As Canadians increased their home meal consumption, the Canada Beef website was integral to communicating with consumers as web traffic experienced massive increases from previous years. Canada Beef's emphasis on the versatility of value-cuts of beef and enhanced consumer awareness about proper preparation methods was insightful and timely. The team developed recipes and merchandizing solutions for retailers and continued to bring strategies and solutions forward to keep beef on the dinner table.

Canada Beef's social and digital spaces engage and connect with consumers and producers to build brand loyalty. With 70,000 followers and approximately 19 million impressions from January to December 2021, Canada Beef continues to build meaningful relationships.

The beef import levy provides funding for positive beef messaging across Canada. The award-winning One & Only Beef consumer campaign is a recent example of the Import Levy at work to benefit beef consumption.



70,000

followers across Canada Beef social channels and digital spaces

19 million

digital impressions

↑ 40%

increase in Canadian beef export value from last year





55

Export Market Development
Program projects approved

403

number of survey respondents
to Canada Beef's 2022 Global
Stakeholder Satisfaction Survey

75%

global satisfaction score from
respondents to Canada Beef's 2022
Global Stakeholder Satisfaction Survey

An advertising campaign to promote the Canadian beef grading system to retailers, and educate consumers and trade professionals about the quality and value offered within Canada's top three beef grades, helped consumers choose the product that was right for them and improve overall consumer satisfaction.

Canada Beef launched the first phase of the Canadian Beef Information Gateway (Gateway) to small or independent retailers in January 2022. This initial Canadian Beef branded version of the Gateway gained traction with early adapters and drove demand for the innovative point of purchase (POP) toolkits that support implementation. Uptake of the toolkits has been steady and continued growth of this innovative resource is expected. Work has continued on future phases of the Gateway, which will feature co-branded partnerships with national retail banners that incorporate customizable content.

The Canadian Beef Centre of Excellence (CBCE) adjusted to pandemic restrictions by taking its workshops and seminars online. The move necessitated an increase in the Centre's video and photography output to meet the growing needs of clients, and revealed extensive new opportunities to deliver CBCE programming across Canada and internationally. To enable multi-media content creation and elevate in-person and virtual communications and conferencing capabilities, the CBCE required some much-needed renovations to the culinary studios, the meat lab and the editing studio. Renovations and AV upgrades began in spring 2022 with completion targeted for fall 2022.



“ Canada Beef’s work in export markets is creating opportunities for the Canadian beef industry to realize greater value for the carcass than could be realized in the domestic market alone.

To support skills training for industry, Canada Beef launched initiatives to promote excellence in butchery and culinary arts, and drive interest in enrollment at Canadian vocational institutions.

Canada Beef’s work in export markets is creating opportunities for the Canadian beef industry to realize greater value for the carcass than could be realized in the domestic market alone. As well as offering competitive bids on middle meats, the export markets can deliver better returns for end meats, credit/thin meats and offal than here at home.

When the pandemic saw in-store sampling for retailers suspended in many key export markets, Canada Beef responded by supporting virtual and online marketing and promotional initiatives due to changing consumer purchasing, searching and decision-making behavior. Canada Beef also expanded distribution of point-of-sale materials (labels, beef grading stickers and signage) to supermarkets and other retailers that sell Canadian beef.

In 2021/22, 55 Export Market Development Programs projects were approved that supported incoming buyer delegations, outgoing market development visits, promotion and marketing

initiatives and international trade show attendance. Of these 55 approved projects, 28 different companies received support targeting nine different export markets and four projects that covered multiple export markets. Canada Beef expects to receive an influx of new applications under this program as pandemic restrictions ease.

Canada Beef completed its 2022 Global Stakeholder Satisfaction Survey with feedback from 403 individuals in domestic and international markets. The results from domestic respondents, Canadian exporters and international clients were combined to calculate an overall global satisfaction score of 75%. Typically less than 5% of stakeholders indicated that they were dissatisfied with any of the attributes surveyed. A significant minority noted they were unable to comment which reduced satisfaction scores as in 2021.

While the global pandemic continued to challenge our ability to fully implement and deliver programs and services, the feedback from survey respondents ensures meaningful improvements will be made to Canada Beef’s programs, services and activities as we strive to increase satisfaction levels for all stakeholders.



RESEARCH

Total investment: \$4,862,827

The Beef Cattle Research Council (BCRC) is the national industry-led funding agency that funds leading edge research and technology transfer activities to advance the competitiveness and sustainability of the Canadian beef cattle industry. The BCRC works closely with other industry and government funding agencies to increase coordination, reduce duplication and ensure priority research outcomes are addressed for the benefit of Canadian beef and cattle producers.

A division of the Canadian Cattlemen's Association, the BCRC is directed by a committee of 15 beef producers from across the country. The BCRC is funded in part through a portion of a producer-paid national levy, the Canadian Beef Cattle Check-Off.



In 2021/22, the BCRC received on average \$0.67 of every \$2.50 of the Canadian Beef Cattle Check-Off collected by the provinces.

In 2021/22, the BCRC received on average \$0.67 of every \$2.50 of the Canadian Beef Cattle Check-Off collected by the provinces. This funding was leveraged under the Beef Science Cluster program together with Agriculture and Agri-Food Canada's Canadian Agricultural Partnership funding, where industry contributed 34% (\$1.3 million) and government 66% (\$2.5 million). In addition, the BCRC leveraged the Canadian Beef Cattle Check-Off for an additional \$5.9 million in research funding and \$800,000 in-kind from government and industry partners through initiatives outside of the Beef Science Cluster.

Last year there were 18 research, extension and science coordination Cluster projects reporting activities between April 1, 2021 and March 31, 2022. This, the fourth year of the five-year Cluster program, has now been completed with preliminary findings reported. For example, after studying why *M. bovis* infection leads to pneumonia in only some feedlot calves, researchers found that vaccination to control the inflammation and disease caused by other viral and bacterial respiratory pathogens also helps minimize losses due to *M. bovis*. Results from another project indicated that residues from growth promotants used to improve beef cattle efficiency in Canada pose minimal risks to the environment which can be further minimized by appropriate manure and runoff management.

In 2021/22, the BCRC launched a condensed call focused on a few clearly defined project priority areas. Under this call, 20 expressions of interest were received from research teams across Canada. Of these, 14 teams were invited to submit full proposals and funding was approved for eight projects in June 2021. Successful applicants secured funding from other sources (government and industry), matching the Canadian Beef Cattle Check-Off dollars at a minimum of 1:1. Several projects approved in previous calls (2018 – 2020) are still underway or nearing completion. One such project compared the efficacy of intranasal vaccine use at birth relative to injectable vaccines administered at one or two months of age. Results indicate that administering mucosal vaccines at birth is an effective way to strengthen the immune system of newborn calves. Another project is evaluating different methods of using high moisture corn products in cow-calf and feedlot settings. Early results indicate that some methods may result in similar animal performance compared to barley-based diets.



\$800,000

in-kind funding received from government and industry partners through initiatives outside the Beef Science Cluster

\$5.9 million

in leveraged funding for initiatives outside the Beef Science Cluster

18

research, extension and science coordination Cluster projects in 2021

8

projects approved for funding by the BCRC



6

Proof of Concept projects
approved for funding

4

new Knowledge and Technology
Transfer projects approved for funding

3

priority surveillance projects
with continued funding

Funding was also approved for six Proof of Concept (POC) projects in 2021/22. These are short-term (six months to one year) projects to help inform whether it is worth pursuing as a larger, more defined research investment in that area. One such project focused on refining, simplifying, automating and speeding up a test for bovine respiratory disease (BRD) pathogens. While more work is required to improve efficacy in detecting BRD in asymptomatic animals, the team was able to increase the speed of obtaining a result by 97% compared to traditional culture-based diagnostics.

The BCRC continued to support the implementation of long-term research capacities in 2021/22. The Beef Industry Forage Management and Utilization Chair was hired at the University of Saskatchewan, College of Agriculture and Bioresources, to expand the agronomic research capacity and to bring together expertise at the University of Saskatchewan and beyond to fill the gaps in forage research and disseminate findings to industry. This is the third Chair position supported by the BCRC to address industry identified gaps in research capacity.

In addition to the Knowledge and Technology Transfer (KTT) activities under the Beef Science Cluster such as the development and distribution of articles, decision tools, videos, blog posts and webinars, KTT continued to be advanced through the Canadian Beef Technology Transfer Network and through an annual call for proposals. Through one such project a series of podcasts was created in 2021/22,



The BCRC continues to oversee the delivery of the Verified Beef Production Plus (VBP+) program. VBP+ has continued to advance producer training objectives and the delivery of on-farm certification services through VBP+ Delivery Services Inc.

to share science-based information about the Canadian beef industry. This project is only halfway complete and has already seen over 4,800 downloads. In 2021/22 the BCRC approved funding for four new KTT projects and had more than 60 individuals that participated in a Canadian Beef Technology Transfer Network annual meeting that facilitated communication and collaboration.

The BCRC also continued to support priority surveillance networks related to production limiting diseases and antimicrobial resistance and use. In 2021/22, funding continued for three surveillance projects as well as the Canadian Cow-Calf Cost of Production Network.

The BCRC continues to oversee the delivery of the Verified Beef Production Plus (VBP+) program. VBP+ has continued to advance producer training objectives and the delivery of on-farm certification services through VBP+ Delivery Services Inc.

In 2021/22, VBP+ launched a new learning platform called the **Canadian Cattle Learning Center**. The platform was launched with the enhanced VBP+ 2.0 training which covers all aspects of the VBP+ certification and different scoring levels. The new platform is intended to expand beyond VBP+ training. It will offer producers the ability to upload training taken externally for continuing education credit and a transcript, allowing all beef-related training an individual completes to be recognized. The platform also houses auditor, reviewer and coordinator training which can be assigned as needed to meet accreditation obligations. This learning platform will work for training similar to how the electronic audit platform works for certification, with powerful reporting features which are valuable for individual producers. It will also be valuable for industry allowing for the mapping of resources producers are seeking out as well as making a strong statement for the value of training towards continuous improvement of our beef sector.

A woman wearing a blue long-sleeved shirt with 'FARMHER' and 'EST. 2012' printed on it, blue jeans, and a black baseball cap with 'BEEF CATTLE' on it is riding a brown horse. To her right is a large brown cow with a metal ring in its nose. They are in a grassy field under a clear sky. The text 'PUBLIC & STAKEHOLDER ENGAGEMENT' is overlaid in large white letters.

PUBLIC & STAKEHOLDER ENGAGEMENT

Total investment: \$996,101

The 2021/22 year saw the Public and Stakeholder Engagement (PSE) program continuing to build resources, tools, training, and proactive content to build advocacy capacity within the industry and public trust in beef cattle production. As well, issues response remains a core focus for the program which has resulted in some of the most successful and largest overall audience reach metrics since the program was launched.

Letters to the editor, corrections, and communications directly to journalists were all written on a variety of topics but primarily focused on the environmental footprint of the Canadian beef industry. Letters were published in both national and regional papers,

“ The Canadian Beef Expert Network was launched this year with over fifty initial participants, ensuring an adequate repository of experts on a variety of subjects.

from the National Post to the Globe and Mail and more.

An opinion article on the consequences of reducing beef consumption was written by the PSE team and authored by Anne Wasko of the Canadian Roundtable for Sustainable Beef (CRSB), in response to the Epicurious announcement that they would no longer feature new beef recipes. The article ran in more than nine different print and online publications, resulting in an estimated reach of over five million Canadians.

A comprehensive strategy was created after the announcement of the United Nations Food Systems Summit (UNFSS) in September 2021. While the original intent of the Summit was to combat food insecurity and malnutrition in the global south, private interests soon turned an entire action track into promoting plant-based foods and encouraging a reduction in meat consumption in developed countries. The Canadian Cattlemen's Association (CCA), the Nature Conservancy of Canada and CRSB, together with help from PSE, presented a series of independent dialogues highlighting how livestock contribute to nature positive production and human nutrition.

With the UNFSS happening on a global stage, the opportunity to become a member in the Global Meat Alliance (GMA) was accepted in July 2021. The GMA works to build relationships globally and represent the meat sector as essential for human health and a partner in climate change mitigation. Coordination during the lead-up to the Summit allowed the team to stay up to date with engagement strategies and opportunities. Following the efforts both domestically and internationally, the Summit did not see any countries commit to reducing meat consumption and created and strengthened partnerships within the global livestock industries.

As part of issues response, the Canadian Beef Expert Network was launched this year with over fifty initial participants, ensuring an adequate repository of experts on a variety of subjects. These subject matter experts include cattle producers, veterinarians, researchers, academics, dietitians, and other health professionals. Ongoing education and training opportunities will provide additional value to this group of experts, including a presentation on cellular protein from Tim McAllister and more.



5 million+

Canadians reached with an opinion piece written by the PSE team on the consequences of reducing beef consumption

50

initial participants to the Canadian Beef Expert Network





20+

young producers attended training sessions on media engagement

20

participants across the beef industry received Indigenous Awareness and Relations training

200

participants registered for the Beef Advocacy Canada program

Training opportunities have also been provided to key industry spokespersons to ensure they are prepared to positively engage with the media. Coaching was provided by Crystal MacKay of Loft 32, a communications firm that specializes in agriculture. Multiple sessions were held which included staff and members of the CCA's board. Together with the Young Cattlemen's Council and provincial partners, over 20 young producers also attended the training, ensuring that the next generation is ready to take media opportunities where possible. As well, Indigenous Awareness and Relations training was provided in the spring of 2022 to 20 different participants from all sectors of the beef industry.

The Beef Advocacy Canada (BAC) program underwent a full update and is now available for free to all interested participants. BAC offers the opportunity to learn best practices in discussing how beef cattle are raised and the environmental benefits of cattle, through short and engaging modules. BAC is well suited for senior 4-H projects, Animal Science clubs and other industry partners looking to engage with public audiences and also by providing tailored advocacy presentations for interested groups. There has been over 200 registrations and more than fifty graduates thus far. It has been great to see new graduates sharing their BAC certificates on social media and encouraging others to take the program.

Consumer research conducted in July focused on the role of cattle in diverting food waste and determining how this changes public perception of the beef industry. **Overall, there was staunch support** from the participants, representative of the Canadian population, for cattle to play this role and it was shown to improve perceptions of the



“ Consumer research conducted in July focused on the role of cattle in diverting food waste and determining how this changes public perception of the beef industry.

industry. When asked to rank two different benefits of raising Canadian beef, the preservation of native grasslands or the reduction in food waste, most participants (76%) chose food waste. This demonstrates the potential to increase positive sentiment around beef production practices and the environmental footprint of the industry.

Guardians of the Grasslands was publicly launched in May in an **online event that featured** panelists from Ducks Unlimited Canada, the Nature Conservancy of Canada, the United Nations, and a primary producer. Media coverage of the launch saw a print reach of over one million and a social media reach of over four million. As of April, the documentary has been viewed over 200,000 times across **Facebook** and **YouTube**. As well, **Guardians of the Grasslands in the Classroom**, a suite of classroom activities and a teacher guide for the film, was released by Agriculture in the Classroom Canada, thanks to a partnership with the Canadian Cattlemen's Foundation. A Guardians of the Grasslands Grazing Game is currently in development and has received matching grant funding from the Alberta CAP program in the amount of \$47,513 for this fiscal year. As well, Ducks Unlimited Canada has provided \$7,875 towards the delivery of this online classroom resource, designed for Alberta students in grades 7-10.

In public outreach work, the PSE program partnered with Canada Beef on two insertions to a national campaign called “Global Heroes.” The first focused on the 2021 Environmental Stewardship Award (TESA) recipients, Dean and Catherine Manning of Manning Family Farms. The second highlighted the targeted grazing pilot projects happening in British Columbia, to mitigate wildfire risk for communities. Each project has an estimated reach of between 1.1 to 1.8 million people in important urban markets like Vancouver and Toronto. Alongside Canada Beef and Beef Farmers of Ontario, the PSE program also participated in a **double page insertion to the National Post in May**. The content focused on the major themes of the United Nations Food Systems Summit, promoting beef as a nutritional staple for Canadians and the vital role cattle play in nature-based climate solutions.

These highlights demonstrate the increased connectivity among industry partners and organizations that allow for issues to be managed efficiently and effectively, including from an international perspective. The creation and success of proactive content has been a cornerstone for the program.



PROVINCIAL INVESTMENT

Total provincial investment: \$2,142,218

Provincial allocation programs are currently delivered by six provincial cattle associations who allocate a percentage of check-off dollars back to their own province to undertake research, market development and promotion activities in their own province. The investments must promote the marketing and production of beef cattle, beef and beef products or conduct and promote research activities related to those products.

Manitoba Beef Producers

Total Provincial Investment: \$87,814



“ In 2021/22, Manitoba Beef and Forage Initiatives was host to many great demonstration projects, research and workshops that supported producers and the industry overall.

Manitoba Beef and Forage Initiatives (MBFI) Research Support

MBFI's mission is to be a centre of agricultural innovation engaging in science-based research to benefit valuable ecosystems, improve producer profitability and build social awareness around the beef and forage industries. This supports the overall mission of the 2020-24 National Beef Strategy.

In 2021/22, MBFI was host to many great demonstration projects, research and workshops that supported producers and the industry overall. An example of this was fencing workshops that gave tips and tricks on strategies to best use for proper grazing. All the research, demonstration trials, and workshops have major benefit to the national industry. The dollars provided by MBP, both through provincial and national check-off in 2021/22, have gone towards operations, including applied research project expenses. Funding for this type of centre for innovation and knowledge transfer has benefits for not only the Manitoba beef sector, but for the Canadian beef industry as a whole.

Livestock Predation Protection Pilot

The overall desired outcome of this objective was to increase knowledge of the risks associated with livestock-wildlife interactions. Due to COVID-19, MBP was unable to conduct in-person on-farm risk assessments, and needed to look at other methods to determine risks on individual farms of potential producer participants.

MBP developed a predation survey that was distributed as an insert in the *Cattle Country* newspaper. The survey was also distributed via the Manitoba Sheep Association to its members. MBP is very pleased that more than 550 producers

completed the survey which asked them to talk about their experiences with interactions between livestock and wildlife. Implementation, monitoring, and evaluation of eight risk management plans will begin in the coming months. The project will also develop and evaluate lethal options for predator control when the issue arises on cooperators' farms. As well, the current functionalities of the Problem Predator Removal Program will be examined to determine if there are ways to improve its effectiveness.

Awareness and Innovation

Manitoba Beef Producers has begun work on refreshing their space at the Bruce D. Campbell Farm and Food Discovery Centre, which is a fun and exciting destination with exhibits, public programs and events that explore modern farming and food production, and the science and technology that provides healthy, sustainable food for Manitoba and the world. The Discovery Centre features interactive hands-on displays about every aspect of food production, from farming to the marketing, retailing and eating of food. The Discovery Centre also seeks to strengthen networks and partnerships to promote public awareness around sustainability, security of food and healthy lifestyles. Programming is aimed at middle-years students, families and the general public. It also showcases the research conducted by the University of Manitoba and explores the wide range of career opportunities in the agri-food sector.

In another public trust effort MBP helped develop a media engagement on May 22, 2022 International Day for Biological Diversity, to discuss the importance of beef production on grassland habitats. Approximately 6,000 people combined saw the information across TV and social media channels.



University of Manitoba Tick Study

Environmental factors like changes in land use and climate change have led to modifications in the geographic distribution of many plant and animal species, including pests like ticks, along with the pathogens they can carry. This project looked at two common species of ticks to determine the key determinants of risk associated with tick and tick-borne diseases of cattle, horses and humans on pastures. The aim is to inform future strategies to control these pests or mitigate their impacts.

The researchers sampled pastures and cattle at four sites and surveyed a total pasture area of just over 42,000 square-meter checking 125 animals for ticks. They collected a total of 739 American dog ticks (466 from cattle) and 0 blacklegged ticks. All the ticks collected for the study were negative for *Anaplasma marginale*, the bacteria causing bovine anaplasmosis. An additional 44 ticks collected from the McCreary community pasture were also negative. As part of the project, the researchers also collected ticks from horses at or near the research sites. They collected 49 blacklegged ticks from one site south of Brandon in the fall. All ticks were negative for *Anaplasma phagocytophilum*, which can cause severe disease in horses, but 20/49 ticks were positive for the bacteria that causes Lyme disease.

University of Manitoba Watershed-Scale Assessment

The purpose of this project is to estimate the impact of grazing on water cycling and nutrient export in pasture landscapes in

the Canadian Prairies. Specifically, the objectives of the project are to:

1. Estimate nitrogen and phosphorus excretion by beef cattle based on a range of pasture quality and productivity, weather conditions and pasture management practices.
2. Simulate the major water budget components by a set of algorithms developed specifically for Canadian conditions.
3. Estimate relative contribution from vegetation breakdown, soils, and manure to the overall nutrient export from pasture land.
4. Integrate objectives 1 through 3 to identify prominent processes, sources, and management practices impacting nutrient export from grasslands.

An MSc student, Baiyan Zhou, was hired in the 2020/21 year, and since then he has completed some key elements to get the project off the ground. Zhou identified the study area and delineated the watershed for modeling exercises using GIS and several digital datasets including soils, topography, and land use information.

Zhou is currently acquiring future climate datasets and developing the hydrological model using the Cold Regions Hydrological Model (CRHM) for simulating the hydrological impact of climate change. Once the hydrological simulations have been finalized, Zhou will focus on identifying nutrient models from the literature to simulate nutrient export from the study area using the hydrological simulations.

Beef Farmers of Ontario

Total Provincial Investment: \$411,335



“

Funds returned from Canadian Beef Check-Off Agency helped BFO support 56% of BFO's investment in consumer engagement and beef promotion programming and activities.

Livestock Research and Innovation Corporation (LRIC)

Funds returned from Canadian Beef Check-Off Agency helped BFO support 100% of the investment into the Livestock Research and Innovation Corporation (LRIC), an organization that provides leadership to the Ontario livestock sectors in research, innovation, and getting research into practice (GRIP).

This year, LRIC continued to develop the Horizon Series of webinars that focuses on big issues facing the beef and broader livestock sector. Each webinar accompanied a white paper on the topic which can be found at livestockresearch.ca.

In addition, LRIC's International Research Advisory Committee completed a review of Ontario's livestock innovation system with key elements of the system identified as: funding, priorities, program management, extension, and commercialization. The committee has used this review to provide recommendations to industry organizations, federal and provincial governments, and academic institutions on how research funding programs, administration, and extension could be improved. The committee discussions were informed in part by the results of an LRIC survey of University of Guelph faculty and member organizations, which included BFO.

LRIC's successful Early Faculty Mentorship Program, now in its second year with eleven faculty participants, welcomed two new beef focused researchers, Dr. Kim Schneider and Dr. Marcio Duarte. Both will play integral roles in research around beef production and meat science in Ontario, with benefits reaching across the country.

Research Projects (BFO Research Investment Strategy)

Funds returned from Canadian Beef Check-Off Agency helped fund 82% of the investment into the BFO Research Investment Strategy.

The overarching goal of the updated BFO research strategy is to generate actionable research data that grassroots producers will be able to use to make their operations more efficient, productive, and environmentally sustainable. The revised 2021-24 Research Investment Strategy will inform the next formal call for beef research proposals, which is expected to be launched in late 2022 for funding to begin in 2023.

Two projects that will wrap up in 2022 include, "Depletion of Dexamethasone in Cattle: Food Safety Study in Dairy and Beef Cattle" and the "Potential of Pasture and Forages to Mitigate the Environmental Impact of Beef Production in Ontario". Results will be shared upon the completion of those projects.

BFO continues to support the nationally-led satellite-based forage yield project that is currently collecting forage yield data on sample farms in Ontario. The project goal is to evaluate the accuracy of satellite imagery against real forage growth observed on the ground. If the technology is found to be highly reliable, a new forage insurance product could be developed based on yield rather than rainfall.

Another project that BFO funded outside of the funding call for proposals was an economic analysis project examining trends in the price and margin spread across the farm, processing, and retail beef sectors in Ontario, which was led by Kevin Grier. The study was funded to assess the reasons and implications behind the pricing performance through the industry in light of the significant packer margins that have been observed in recent years, particularly since the start of the pandemic.

Consumer Engagement Program

Funds returned from Canadian Beef Check-Off Agency helped BFO support 56% of BFO's investment in consumer engagement and beef promotion programming and activities.

The focus of BFO's consumer engagement program was continuing to build on the energy created throughout 2020. With the ongoing COVID-19 pandemic, plans were focused online and a digital media strategy was able to be executed as planned, and has continued to do so with excellent results again this past year.

Traffic to the ontbeef.ca consumer website continues to increase steadily. Both of the key campaigns run through social channels throughout the year were once again focused on driving traffic to different areas of the site, and did so with great success. Nearly 82,000 visits to the website were captured, and 87% of the visitors were first-time visitors to the site. BFO continues to update and tweak the site regularly to ensure it is always fresh and new content is highlighted. The beef cuts page and the store locator continue to be the most popular stops for visitors to the website. Currently, there are 150 retailers, butchers and farmers marketing direct included in the locator.

The first key social media campaign was the "Ontario Beef BBQ Battle: Just Add Fire", which ran in July and August. The BBQ Battle campaign was modeled after the successful and award-winning Burger Battle from the previous year, which was awarded a gold medal at the Influencer Marketing Awards in July. The "Enjoy Some Local Flavour" campaign was a partnership cross-promotion with several Ontario food and beverage companies. While some of the partners were expected, like Dennis' Horseradish, others were a little more unexpected, like Carrick Bros. Maple Syrup. The goal of this campaign was to inspire shoppers to source local products to pair with their Ontario beef, inspire new recipe and pairing ideas, and capitalize on the "local food" movement that is still holding strong. The social media results for the campaigns were very positive. The content – both organic and paid – made well over 19.6 million impressions, reached over 3.7 million users, delivered over 89K engagements, and drove over 82K website visits.

Les Producteurs de bovins du Québec

Total Provincial Investment: \$1,445,358

Les Producteurs
de bovins du
Québec



“ PBQ has continued to place focus on marketing and research strategies to maintain and grow the feeder calf sector in Quebec.

Les Producteurs de bovins du Québec (PBQ) collect levies based on various classes of cattle, and in turn, they plan to invest their provincial allocations into classes of cattle/beef as well. The association allocates 100% of net check-off back to their province.

Feeder Calf Programs

PBQ has continued to place focus on marketing and research strategies to maintain and grow the feeder calf sector in Quebec. Marketing and auction management strategies were implemented to help ensure strong demand

for Quebec feeder cattle through the pandemic, including new live virtual setups and the enhancement of other communication channels.

A study was funded as a shared project through all of Quebec's beef sectors, focusing on the province's beef value chain. A few main challenges and opportunities were identified, giving the association the ability to strategize and target the challenges in the coming year. It was found that in Quebec, retail consumption is strongly centred on ground and stewing beef, which will allow them to focus on those target areas in the future. It was also found that there is



an opportunity to provide more feedback to upstream links in the value chain, and to assist smaller provincial abattoirs in their challenges to remain competitive in the marketplace.

Fed Cattle Programs

A review of the fed cattle marketing sector in Quebec was undertaken last year, and led to a project in collaboration with both feeder calf producers and Montpak International to increase Quebec beef sales in the provincial market. Under the program, Montpak International will source 85% of their supply from fed cattle that are born and raised in Quebec. This project will continue into 2023.

Veal Programs

In Quebec, the segment of the veal sector associated with heavy veal includes both grain-fed and milk-fed veal production. Operations engaged in heavy veal production operate in a highly competitive North American business environment, and they must also contend with imported veal from Europe and Oceania, the impact of which is not well known.

Through a collaboration with Aliments du Québec, PBQ received \$150,000 in financial assistance to roll out the summer BBQ campaign. A number of joint activities have been conducted over the course of the year, including the following:

- Collaborations for cookbooks
- Partnerships with influencers over the winter and during the BBQ season to publish veal-based recipes and to showcase the local, healthy, and versatile aspects of veal
- An advertisement in the May issue of Association Restauration Québec (ARQ) magazine, and a shared advertisement with Famille Fontaine included in a targeted email to members and non-members
- A television, digital, and social media campaign through TVA, Verizon, and Facebook

- A collaboration with Les Producteurs de pommes de terre du Québec on a television, digital, and social media campaign through TVA, Verizon, and Facebook

A producers section was added to the Quebec Veal website, along with a farm sales section for each producer profile, in order to place veal calf producers in the spotlight.

PBQ also implemented a major research project on carcass grading in the veal sector. This research, which measures the yield of lean or sellable veal in carcass grading systems, is essential for the industry to ensure that commercial value can be properly assigned, and veal carcasses are sorted according to various market specifications. A new system based on the research will improve the precision and value of the grading process, which should in turn provide veal producers better feedback on their production practices, increase the supply of quality veal, improve consumer satisfaction, and improve revenue for the sector as a whole.

PBQ commissioned a producer survey for those who operate in the milk-fed veal sector, focusing on the sector's resiliency through the pandemic. The survey will help to inform communication efforts and speaking points for the organization and its producers to speak transparently about the milk-fed veal sector, and the challenges that were highlighted in the survey.

Cull Cattle and Bob Calf Programs

The association continued the project aimed at assessing the feasibility of finishing dairy calves in Quebec last year, which has given way to the launch of a techno-economic analysis using data from Quebec producers in which dairy calves were finished into fed beef. The results are currently pending on that study, and will be shared with provincial producers through videos, webinars, presentations and the development of production guides.

New Brunswick Cattle Producers

Total Provincial Investment: \$19,629



“ The NBCP genomics education and training program aimed to improve the producer utilization rate of genomics in the Maritime beef industry.

Beef Herd Renewal & Rotational Grazing Program

The New Brunswick Cattle Producers (NBCP) invested into a beef herd renewal and rotational pasture program, with the goal of helping producers adopt or improve pasture management on their farms. Proper adoption and use of rotational pasture practices will improve quantity and quality of pasture productivity and pasture carrying capacity. It will also extend the grazing season and improve soil health and carbon sequestration, root growth, animal productivity, pasture biodiversity and drought resistance of pastures. This program helps producers to retain high performance genetics as replacement females in the cow herd and to allow producers to adopt enhanced pasture management practices to increase the capacity of New Brunswick pastures and sustain an expanded beef herd. Funds were invested into the communications to producers to drive engagement with the program.

Beef School & Winter Webinars

The French Beef School/Winter Webinar Series Project was a series of six lunch and learn webinars with the objective to engage producers in varied aspects of herd health and management to increase herd size, quality and profitability. About 25 producers attended each lunch and learn program, which were provided with simultaneous French translation. The events were seen as an effective way to engage producers while reducing costs on travel and producer costs incurred from being away from the operation to attend an extension session. Additional flexibility was added by posting the recordings online for later viewing.

Genomics Training & Education

The NBCP genomics education and training program aimed to improve the producer utilization rate of genomics in the Maritime beef industry. The project incorporated a three-pronged approach to genetic improvement including educating producers on the process of genomic selection, the process of getting the tests done and how to work through the results with the producers to implement next steps for the data. This project supplements the genetic enhancement program in New Brunswick, which already supports producers with testing for the first and third prongs of the program. Three program webinars had good participation live, and have been posted online in both English and French. In all cases, producers that were engaged with the association during the program were keen to continue on with genomic testing and further conversation around eligibility for the genetic enhancement program.

Stakeholder Communications

The NBCP also invested funds into stakeholder communications initiatives, to ensure that producers within the province, and across the Maritimes, were able to engage with the association on multiple platforms. This included translation for French language producers, live and on demand regional meetings, webinars and traditional print media information. The addition of the French translation added a large range of materials and communications to the organization's resources, from regular updates, to blogs, simultaneous translation for live online events, and more.

Additional support was provided to the Maritime Beef Council – Combined Maritime Initiatives that follow.



Nova Scotia Cattle Producers

Total Provincial Investment: \$23,342



“ In 2019, the Nova Scotia Elite Sire Program was developed in response to industry’s request to provide funding for the testing and purchase of bulls.

Genetic Marketing Program

In 2019, the Nova Scotia Elite Sire Program was developed in response to industry’s request to provide funding for the testing and purchase of bulls. Funds for the program were allocated from the marketing allocation of national check-off and other industry development funding. The program proved to be popular amongst breeders and bull buyers and was launched for the third iteration in 2021. This program encouraged an increased understanding of genetic measures, improved genetic testing, and improved herd performance for the beef industry in Nova Scotia. Twenty seven bulls were tested, and the project was entirely industry funded, with no government funding support.

On-Farm Cattle Precondition Pilot Project

Proper preconditioning and weaning of feeder cattle is an important aspect regarding the health of beef animals and has a direct impact of the profitability for cow-calf and feedlot operators. The preconditioning pilot project from the

Nova Scotia Cattle Producers (NSCP) has been ongoing since 2019, and aims to assist producers in proper preconditioning in regards to tagging, castration, dehorning, vaccination and weaning.

The program funded a technician through the Atlantic Stockyards Ltd. to deliver on-farm services across the province. The services that are available range from handling equipment and help, tagging, age verification, vaccination administration, castration, dehorning and weighing. The records produced through the program also align with the VBP+ and CRSB verification requirements. The pilot project costs producers only a \$35/hr chute service fee to utilize the services of the precondition technician team.

The program is funded through national check-off dollars, as well as through NSCP, BCRC and the Nova Scotia government, and aims to put 1,000 head through the program by the end of 2022.

Additional support was provided to the Maritime Beef Council – Combined Maritime Initiatives that follow.



Prince Edward Island Cattle Producers

Total Provincial Investment: \$16,487



“ The PEI Cattle Producers invested funds into a suite of promotional partnerships to highlight Island Beef across the province, in coordination with Atlantic Beef Products Inc. (ABPI). ”

Island Beef Consumer Marketing Partnerships

The PEI Cattle Producers invested funds into a suite of promotional partnerships to highlight Island Beef across the province, in coordination with Atlantic Beef Products Inc. (ABPI).

The Meat n' Badaydas promotion kicked off with over 50 restaurants across the island celebrating PEI's Island Beef brand, alongside famous PEI potatoes. The partnership highlighted local producers, and ran for the full month of April. Beef & Brews took place in June, showcasing beef and craft beer pairings with nine craft breweries in the province.

Beef n' Blues, a partnership with Chef Michael Smith, featured a selection of ten small dishes of Island Certified 'AAA' beef served through roving food stations at a fall flavours event in September. Joining in the partnership with ABPI was Canada Beef.

Due to staff turnover in 2021/22, PEICP was underspent on their provincial investment initiatives. These funds will be reinvested into the 2022/23 business plan.

Additional support was provided to the Maritime Beef Council – Combined Maritime Initiatives that follow.

Maritime Beef Council – Combined Maritime Initiatives



“

The Atlantic Beef School has been designed as a professional development program for beef producers in the Atlantic region. The region has a wealth of knowledge and resources that are often not easily accessible for producers.

The Maritime Beef Council (MBC), which includes the New Brunswick Cattle Producers (NBCP) the Nova Scotia Cattle Producers (NSCP) and the Prince Edward Island Cattle Producers (PEICP) have submitted a joint, co-operative plan to increase beef demand, productivity, competitiveness and connectivity within the three Maritime provinces. Funding for these joint programs is contributed through each of the three provinces' (listed above) provincial investment allocations.

Maritime Beef Strategy Implementation

The Maritime Beef Sector Development and Expansion strategy was developed as a means to support the growth of the Maritime beef industry. In 2021, the MBC delivered on activities under this program, including the program and projects below, and other projects that increased alignment within the beef industry in the Maritimes.

Increasing Professionalism in the Atlantic Beef Industry

The MBC aims to increase the level of professionalism in Atlantic beef producers through training, education and leadership initiatives.

This includes 122 new Verified Beef Production Plus (VBP+) trained and certified producers in Atlantic Canada, improving food safety, traceability, biosecurity and animal welfare within the beef sector. This will see improved marketing opportunities for Atlantic Canadian cattle in branded beef programs, and the Canadian Roundtable for Sustainable Beef certification for the supply chain program. VBP+ certified cattle producers see opportunities like a \$0.02/lb premium at Atlantic Beef Products. There was also a Simply Verified Beef podcast developed, with over 800 downloads or streams.

The Atlantic Beef School has been designed as a professional development program for beef producers in the Atlantic region. The region has a wealth of knowledge and resources that are often not easily accessible for producers. The beef school has been designed as an 8-module cow/calf program and additional modules covering feedlot production, and has expanded to cover dairy-beef's emerging needs. These modules cover several aspects of production practices. The beef school operates from a comprehensive database for best management practices that any producer can use on their own operation. MBC owns the curriculum of each of the beef school modules and has the opportunity to change or adjust content at their discretion. This year, in a mix of in person and online, a total of 77 people attended the sessions. Feedback from attendees was overwhelmingly supportive of the online delivery.

In light of the COVID-19 pandemic, the Maritime Beef Conference was held virtually in 2022. The conference saw 97 attendees take part, and those who didn't attend the live online broadcast were able to watch online for a month after the conference was complete, this received 296 views and positive engagement. Conference sessions were focused mostly on production practices like grass and grazing management, data management, minerals and supplements, and the national cost of production network. Survey results from attendees showed strong positive feedback.

Deploy Risk Management Tools

One of the current limitations affecting the expansion of the Maritime beef herd is the lack of risk management tools available to beef producers. As the agricultural industry continues to evolve, the complexity and risks are increasing.



Purchasing and selling of cattle intended for beef production involves considerable risk for producers due to considerable market volatility and, as the agricultural industry continues to evolve, the complexity and risks are increasing. MBC continues to work on developing the framework to support the delivery of an eastern price insurance program, and looks forward to the deployment of that program in a way that educates and informs producers and industry stakeholders on the benefits.

Maximize Utilization of Pasture and Forage

In partnership with the Ontario Forage Council, the Beef Farmers of Ontario, Les Producteurs de bovins du Québec, and MBC, an interactive forage species selection tool is in development for eastern Canada. The project is currently in the web development phase, and once completed, will be a beneficial tool for eastern Canadian beef producers who are working to maximize the utilization of pasture and forage.

A forage field day was planned for 2021, but due to COVID-19 restrictions, was unable to take place.

Beef Value Chain Coordination

An identified gap in the beef and dairy industries is producers' ability to get small, newborn calves to a 400 pound marketable

weight. The value chain alignment program included a dairy-beef calf club, along with the exploration of marketing options, knowledge transfer and extension of research. The end goal of the program is to provide an opportunity to increase the value of dairy beef. Producer webinars like the dairy beef nursery school were also held and ongoing strategy sessions with stakeholders will continue.

Data Management is critical to the success of the Maritime Beef Strategy. The premium programs that Maritime Beef producers have available to them, especially those within the sustainability framework, hinges on the proper data being able to follow the cattle through the supply chain accurately. Four data management programs were analyzed through the program: BioTrack 360, HerdTrax, Cattlemax and Herdly. There were 40% of pilot participants that noted they would continue on with their pilot program, while 30% of the participants have decided that they will be going back to their own manual record keeping methods, or a spreadsheet that fits their specific needs. The remaining 30% were going to try a different data management software after hearing the feedback from the other participants.

Veal Farmers of Ontario

Total Provincial Investment: \$138,252



“

The overall goal of the Ontario Veal Appeal consumer campaign for 2021/22 was to drive demand for Ontario veal.

The overall goal of the Ontario Veal Appeal consumer campaign for 2021/22 was to drive demand for Ontario veal. The target audience was the consumer who is already purchasing and eating veal, supporting the strategy to encourage additional veal meals, whether at home or in a restaurant.

VFO revamped their consumer website ontariovealappeal.ca to really highlight the veal recipes and information. Consumers can use a search function by cut, recipe name, or see the most popular veal recipes. The goal is to make it as easy as possible for the consumer to be inspired to cook with veal at home. The “Vealing Delicious” e-newsletter was distributed bi-weekly to over 3000 veal consumers, providing timely veal recipes, cooking instructions, how-to videos, and veal meal solutions to inspire home chefs to cook with veal.

While the 2021 edition of the search for Ontario's Best Veal Sandwich (OBVS) contest was postponed due to pandemic restrictions, a unique campaign highlighting nine of our past finalists and winners launched in its place in fall 2021. For nine weeks, a different finalist or winner's restaurant was featured in videos, interviews and social media content hosted by John Catucci of Food Network Canada's You Gotta Eat Here! television show.

Ontario Veal Appeal also partnered with Chef Ted Reader, BBQ guru, to develop nine new veal BBQ recipes that were featured on both Chef Ted's and VFO's websites and social media channels, and in the “Vealing Delicious” e-newsletter. Ontario Veal Appeal hosted a Father's Day contest with the goal to increase followers on social media channels and promote the e-newsletter.

Ontario Veal Appeal partnered with Food & Drink magazine with three full-page ads in the summer, autumn and holiday issues. This popular magazine reaches over 2.5 million consumers per issue and readers are a great demographic match for the Ontario veal consumer. Ads were also featured in both the Foodism and Canadian Food & Drink magazines. VFO's goals with print ads are to inspire the consumer with a meal experience, drive traffic to the refreshed website, and profile veal in new and different ways.

VFO also updated and revitalized the “All About Veal” consumer resource with new content, photography and answers to many of the questions that come from consumers. This was done in a way that is easy to understand and puts veal cattle production practices into perspective with the rest of animal agriculture. The new resource is available in print and on both consumer and producer websites in downloadable formats and as part of the content.

To compliment this new resource, VFO also partnered with Farm and Food Care Ontario to share the real story about how veal farmers make animal care a top priority with a virtual reality tour of an Ontario veal farm at FarmFood360.ca. The virtual tour was filmed at an Ontario grain-fed veal farm and is accompanied by four traditional videos that dive deeper into specific topics, such as veal cattle care and nutrition, the life of a veal farm family and The Real Deal About Veal – which explores misconceptions about the veal sector.

Canadian Beef Cattle Research, Market Development and Promotion Agency
Financial Statements
March 31, 2022

Independent Auditor's Report

To the Board of Directors of Canadian Beef Cattle Research, Market Development and Promotion Agency:

Opinion

We have audited the non-consolidated financial statements of Canadian Beef Cattle Research, Market Development and Promotion Agency (the "Agency"), which comprise the non-consolidated statement of financial position as at March 31, 2022, and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Agency as at March 31, 2022, and the non-consolidated results of its operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Canadian Beef Cattle Research, Market Development and Promotion Agency for the year ended March 31, 2021 were audited by another firm of chartered professional accountants who expressed an unmodified opinion on those statements on June 29, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta

June 30, 2022

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, handwritten-style font, followed by 'LLP' in a smaller, all-caps, sans-serif font.

Chartered Professional Accountants

Canadian Beef Cattle Research, Market Development and Promotion Agency

Statement of Non-Consolidated Financial Position

As at March 31, 2022

	2022	2021
Assets		
Current		
Cash (Note 3)	9,270,774	9,096,737
Internally restricted cash (Note 12)	3,360,165	3,000,000
Accounts receivable (Note 4)	5,001,314	4,488,413
Prepaid expenses and deposits	550,810	91,831
Due from related party (Note 8)	671,812	331,865
	18,854,875	17,008,846
Capital assets (Note 5)	462,370	522,607
Investments (Note 8)	100	100
	19,317,345	17,531,553
Liabilities		
Current		
Accounts payable and accruals (Note 6)	3,630,555	2,983,332
Due to related party (Note 8)	897,769	574,941
Deferred revenue (Note 7)	302,304	248,727
	4,830,628	3,807,000
Deferred capital contributions (Note 9)	203,657	309,913
	5,034,285	4,116,913
Contingencies (Note 14)		
Commitments (Note 10)		
Functional information (Note 18)		
Net Assets		
Unrestricted	8,971,099	8,462,844
Internally restricted (Note 12)	4,360,165	4,000,000
Consolidation reserve (Note 12)	951,796	951,796
	14,283,060	13,414,640
	19,317,345	17,531,553

Approved on behalf of the Board of Directors

e-Signed by Chad Ross

2022-06-30 14:55:37:37 MDT

Director

e-Signed by Kirk Jackson

2022-06-30 14:40:24:24 MDT

Director

The accompanying notes are an integral part of these non-consolidated financial statements

Canadian Beef Cattle Research, Market Development and Promotion Agency

Statement of Non-Consolidated Operations

For the year ended March 31, 2022

	2022	2021
Revenues:		
Canadian Beef Check-off Agency:		
Domestic beef check-off (Note 16)	20,283,325	18,336,483
Import levies	1,065,059	1,256,416
Other income	73,864	64,676
	21,422,248	19,657,575
Marketing:		
Government of Canada - Canadian Agriculture Partnership	1,893,871	1,428,604
Amortization of deferred capital contributions (Note 9)	106,256	106,256
Government of Alberta	120,875	93,668
	2,121,002	1,628,528
Total revenue	23,543,250	21,286,103
Expenses		
Canadian Beef Check-off Agency:		
Marketing Committee	8,300	11,350
Board of Directors	64,613	44,854
Canadian Beef Check-off Agency operations	610,840	430,833
	683,753	487,037
Programs:		
Public Stakeholder and Engagement	893,596	893,578
Marketing - Generic Beef (Note 17)	1,162,522	1,303,698
Marketing - Branded (Note 17)	11,522,217	8,502,002
Research	4,862,827	4,449,979
Provincial investment (Note 16)	2,142,218	2,138,885
Provincial portion of the Federal Levy	1,407,697	1,181,051
	21,991,077	18,469,193
Total expenses	22,674,830	18,956,230
Excess of revenue over expenses	868,420	2,329,873

The accompanying notes are an integral part of these non-consolidated financial statements

Canadian Beef Cattle Research, Market Development and Promotion Agency
Statement of Non-Consolidated Changes in Net Assets

For the year ended March 31, 2022

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Consolidation Reserve</i>	2022	<i>2021</i>
Net assets, beginning of year	8,462,844	4,000,000	951,796	13,414,640	11,084,767
Internally restricted cash transferred during the year (Note 12)	(360,165)	360,165	-	-	-
Excess of revenue over expenses	868,420	-	-	868,420	2,329,873
Net assets, end of year	8,971,099	4,360,165	951,796	14,283,060	13,414,640

The accompanying notes are an integral part of these non-consolidated financial statements

Canadian Beef Cattle Research, Market Development and Promotion Agency

Statement of Non-Consolidated Cash Flows

For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	868,420	2,329,873
Non-cash recognition of deferred capital contributions	(106,256)	(106,256)
Amortization	165,358	167,675
Gain (loss) on disposal of capital assets	-	15,507
	927,522	2,406,799
Changes in working capital accounts		
Accounts receivable	(512,901)	1,585,565
Prepaid expenses and deposits	(458,979)	472
Accounts payable and accruals	647,223	172,448
Deferred revenue	53,577	93,272
Due from related party	(339,947)	(261,455)
Due to related party	322,828	314,488
	639,323	4,311,589
Investing		
Purchase of capital assets	(105,121)	(23,442)
Increase in cash resources	534,202	4,288,147
Cash resources, beginning of year	12,096,737	7,808,590
Cash resources, end of year	12,630,939	12,096,737
Cash resources are composed of:		
Unrestricted cash	9,270,774	9,096,737
Internally restricted cash (Note 12)	3,360,165	3,000,000
	12,630,939	12,096,737

The accompanying notes are an integral part of these non-consolidated financial statements

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

1. Incorporation and nature of the agency

Canadian Beef Cattle Research, Market Development and Promotion Agency (the "Agency") was proclaimed on January 17, 2002 and is registered as a not-for profit organization and, as such, is exempt from income taxes. In order to maintain its status as a registered not-for-profit organization under the Act, the Agency must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Agency's mission is to deliver measurable value to the Canadian beef industry through prudent and transparent management of the Canadian Beef Cattle Check-Off and the beef import levy. The Agency is funded by a non-refundable levy (or Check-Off) initially set at \$1.00 per head applied to Canadian beef cattle marketed domestically and beef cattle, beef and beef products imported into Canada.

On September 18, 2015, a resolution was passed by the Agency's voting delegation to increase the Federal levy from \$1.00 to \$2.50. The increase in levy was determined necessary in order to implement the new Canadian Beef Sector National Beef Strategy announced in 2014. The strategy is intended to promote a united approach to position the Canadian beef industry for greater profitability, growth and continued production of a high quality beef product.

As at March 31, 2022, the federal levy of \$2.50 is applicable to the following eight provinces effective the following dates:

Nova Scotia - January 1, 2017

Prince Edward Island - June 1, 2017

New Brunswick - February 1, 2018

Alberta - April 1, 2018

Saskatchewan - April 1, 2018

Manitoba - April 1, 2018

Quebec - June 1, 2018

British Columbia - July 1, 2018

At the close of the Agency's fiscal year end on March 31, 2022, the Canadian Beef Cattle Check-Off in Ontario remained at \$1.00 per head. The Import Levy also remained at \$1.00 per head or equivalent.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Basis of presentation

The Agency controls Canada Beef International Institute (the "Institute") as a result of its ability to appoint all of the Directors. The Institute is a not-for-profit and, as such, the Agency has elected the accounting policy to not consolidate this entity.

The Agency also controls Canada Beef International Institute Inc. (the "Institute Inc.") by way of ownership of 100% of the issued class A common shares. The Institute Inc. is a for-profit entity and, as such, the Agency has elected the accounting policy to consolidate for profit entities, however, the Institute Inc. is not material and therefore balances are not consolidated in these financial statements as at March 31, 2022.

Financial information on each controlled entity is disclosed in Note 8.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into Canadian dollar equivalents at exchange rates prevailing at the transaction dates. The accounts of the Agency's Japan, the People's Republic of China, Taiwan and Mexico representative office operations are translated at the rate of exchange in effect at the statement of financial position date and non monetary items are translated at applicable historical rates. Revenue and expense items are translated at the average exchange rates prevailing throughout the year. Gains and losses resulting from these translation adjustments are included within revenue and expenses included on the statement of operations.

Income taxes

The Agency is registered as a not-for-profit organization under the Act and, as such, is exempt from income taxes.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Years
Computer equipment	3
Computer software	3
Furniture and fixtures	5
Leasehold improvements	5
Office equipment	10
Kitchen equipment and appliances	5
Website and logo	5

Revenue recognition

The Agency follows the deferral method of accounting for contributions.

Check-off revenue (beef cattle levies) received from beef cattle producers through beef cattle sales and delivery organizations are unrestricted and are recognized in the year in which the beef cattle sales occur and collectability is reasonably assured.

Import levies received from importers of beef cattle, beef and beef products are unrestricted and are recognized in the year in which the imports occur and collectability is reasonably assured.

Government grants are recognized as revenue in the year in which the related expenses are incurred and when collection is reasonably assured. Deferred revenue is recorded when grant funds have been received relating to expenses of future periods. Deferred revenue will be recognized when performance occurs.

Interest income is recognized as revenue in the year in which it is earned.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to fund the development of the Canadian Beef Centre of Excellence. Recognition of these contributions as revenue is deferred up to the point where the related capital assets are amortized at which point the contributions are recognized as income over the useful lives of the related assets.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Significant management estimates pertain to the estimated useful lives of capital assets, the net recoverability of accounts receivable and the amount of cattle levies recognized. Actual results could differ from those estimates.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the statement of operations in the years in which they become known.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Allocation of expenses

The Agency follows CPA Handbook Section 4470, which established disclosure standards for not-for-profit organizations that classify their expenses by function and allocate their expenses to a number of functions to which the expenses relate.

Allocations are based on submissions from the provincial cattle associations, who determine the percentage of revenue generated in their province that is allocated to each function.

Financial instruments

The Agency recognizes its financial instruments when the Agency becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 8).

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

At initial recognition, the Agency may irrevocably elect to subsequently measure any financial instrument at fair value. The Agency has not made such an election during the year.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Agency may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Agency has not made such an election during the year.

Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net earnings. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Agency measures financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at cost on initial recognition. When the related party financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the related party financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the related party financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (see Note 8).

Financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

The Agency subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Agency's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in net earnings.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Financial asset impairment

The Agency assesses impairment of all of its financial assets measured at cost or amortized cost. The Agency groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Agency determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Agency reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Agency reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

3. Cash and cash equivalents

Cash consists of cash on hand and interest bearing bank balances held with reputable financial institutions.

4. Accounts receivable

	2022	2021
Check-Off	3,617,059	3,213,796
Government of Canada - Canadian Agriculture Partnership	1,177,448	977,452
Import levies	168,178	177,682
Loan to New Brunswick Cattle Producers	23,180	23,180
Other	15,449	96,303
	5,001,314	4,488,413

5. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	6,900	4,670	2,230	3,187
Computer software	189,702	168,307	21,395	29,445
Furniture and fixtures	233,103	222,872	10,231	12,897
Leasehold improvements	1,262,759	842,942	419,817	468,216
Office equipment	56,183	49,186	6,997	4,676
Kitchen equipment and appliances	546,202	544,502	1,700	4,186
Website and logo	47,530	47,530	-	-
	2,342,379	1,880,009	462,370	522,607

Amortization of \$165,358 (2021 - \$167,675) is included in Canadian Beef Check-off Agency operations and marketing program expense captions for the year ended March 31, 2022.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

6. Accounts payable and accrued liabilities

	2022	2021
Check-off transfers	1,488,899	1,370,041
Trade accounts payable	1,560,590	970,861
Government remittances	(111,543)	10,317
Accrued liabilities	692,609	632,113
	3,630,555	2,983,332

7. Deferred revenue

The changes in deferred revenue during the year were as follows:

	2022	2021
Balance, beginning of year	248,727	155,455
Amount received during the year	174,455	186,666
Less: Amount recognized as revenue during the year	(120,878)	(93,394)
Balance, end of year	302,304	248,727

8. Related party transactions

(a) Canadian Cattlemen's Association:

The Canadian Cattlemen's Association is related by virtue of directors who serve on the Agency's Board of Directors. During the year, the Agency incurred \$6,984 (2021 - \$6,984) for contract services expenses and \$nil (2021 - \$517) for other expenses as determined by the discretion of the Board of Directors on an annual basis.

(b) Canada Beef International Institute:

Canada Beef Export Federation (the "Federation") was incorporated under the Societies Act of the Province of Alberta on November 16, 1989 for the purposes of promoting demand for Canadian beef products in the international marketplace. On July 1, 2011, the majority of the Federation's operations were transferred to the Agency and the Federation was left active in order to settle its remaining obligation as well as remain active as it is a known entity in many non-Canadian markets in which it operated. The Federation changed its name to Canada Beef International Institute (the "Institute") on January 18, 2012. It is registered as a not-for-profit organization under the Income Tax Act (the "Act") and as such is exempt from income taxes.

During the year, the Agency incurred expenses to be reimbursed by the Institute for conducting business in certain foreign jurisdictions. As at March 31, 2022, \$671,812 was due from the Institute as a reimbursement (2021 - \$331,865). This amount bears no interest, is due on demand, unsecured and has no fixed repayment terms.

In order to maintain its status as a registered not-for-profit organization under the Act, the Institute must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Agency exercises control over the Institute by virtue of its ability to appoint all of the Directors of the Institute.

The accounts of the Institute have not been consolidated in these financial statements. The financial information of the Institute as at March 31, 2022 are summarized as follows:

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

8. Related party transactions (Continued from previous page)

	2022	2021
Total assets	1,200,130	864,958
Total liabilities	674,312	336,115
Total net assets	525,818	528,843
Total liabilities and net assets	1,200,130	864,958
Total expenses	3,025	4,744
Deficiency of revenues over expenses	3,025	4,744
(Increase) decrease in cash	(9,229)	55,811

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

8. Related party transactions (Continued from previous page)

(c) Canada Beef International Institute Inc.

Canada Beef Export Federation Inc. (the "Corporation") was incorporated under the Business Corporations Act of the Province of Alberta on January 13, 1997 for the purposes of promoting demand for Canadian beef products in Taiwan. On July 1, 2011, the majority of the Corporation's operations were transferred to Canadian Beef Cattle Research, Market Development and Promotion Agency and the Corporation was left active in order to settle its remaining obligation as well as remain active as it is a known entity in Taiwan.

On September 1, 2011, the Corporation's shares were transferred from Canada Beef International Institute Inc. to Canadian Beef Cattle Research, Market Development and Promotion Agency.

The Corporation changed its name to Canada Beef International Institute Inc. (the "Institute Inc.") on February 28, 2012.

As at March 31, 2022, \$897,769 (2021 – \$574,941) was due to the Institute Inc. as a reimbursement. This amount bears no interest, is due on demand, unsecured and has no fixed repayment terms.

The Agency exercises control over the Institute Inc. by virtue of its ability to appoint all of the Directors of the Institute Inc. and through 100% share ownership.

The accounts of the Institute Inc. have not been consolidated in these financial statements. The financial information of the Institute as at March 31, 2022 are summarized as follows:

Total assets	897,844	574,991
Total liabilities	898,593	572,900
Total retained (deficit) earnings	(849)	1,991
Total share capital	100	100
Total liabilities and retained earnings	897,844	574,991
Total expenses	(2,840)	(3,059)
Deficiency of revenues over expenses	(2,840)	(3,059)
(Increase) decrease in cash	(25)	9

The related party transactions occurred in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

9. Deferred contributions related to capital assets

In prior years, the Agency received funding from Western Economic Diversification for the construction and operation of the Canadian Beef Centre of Excellence ("The Centre") which commenced operations in spring 2015. The total funds committed were \$1,231,278 of which \$827,771 was spent on capital improvements to the premises and \$403,507 was spent on equipment. \$106,256 (2021 – \$106,256) of the deferred amount was recognized as revenue in the current year.

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2022	2021
Balance, beginning of year	309,913	416,169
Less: Amounts recognized as revenue during the year	(106,256)	(106,256)
	203,657	309,913

10. Commitments

The Agency has entered into various lease agreements with estimated minimum annual payments as follows:

2023	309,947
2024	184,968
2025	162,724
2026	160,446
2027	124,884
Total	942,969

The Agency's controlled entities entered into various lease agreements which the Agency will advance funds to pay for. The estimated minimum annual payments under these contracts are as follows:

Canada Beef International Institute:

	130,370
	25,205
	3,908
	3,908
	163,391

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

11. Financial instruments

The Agency, as part of its operations, carries a number of financial instruments. It is management's opinion that the Agency is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency enters into transactions denominated in foreign for which the related revenues, expenses, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. As at March 31, 2022, the following items are denominated in foreign currency:

	2022 CAD	2021 CAD
Cash	81,242	15,225
Accounts receivable	91,480	79,754
Accounts payable	377,817	421,168

Credit risk

Credit risk refers to the risk that a counterparty may default on its regulatory obligations resulting in a financial loss. The Agency derives the majority of its revenue and accounts receivable in the form of levies from associations involved in the cattle industry, and the beef import levy.

The Agency is exposed to credit risk with respect to these receivables to the extent that importers may default on payment of import levies on the importation of beef cattle, beef or beef products. The Agency assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

Liquidity risk

Liquidity risk is the risk that the Agency will encounter difficulty in meeting obligations associated with financial liabilities. The Agency manages its liquidity risk by monitoring its operating requirements. The Agency prepares budget and cash forecasts and monitors grant funding to ensure it has sufficient funds to fulfill its obligations.

Refer to note 13 for discussion around changes to the risk exposure due to COVID-19.

12. Restrictions on net assets

(a) Internally restricted cash and net assets:

During the year ended March 31, 2022, the Board of Directors of the Agency (see note 18) internally restricted cash reserve amounted to \$3,000,000 (2021 – \$3,000,000) for the event of any future wind-down. In addition, \$1,000,000 (2021 – \$1,000,000) is held by Marketing and \$360,165 (2021 - \$nil) is held by the Agency (see note 18) as restricted net assets, for total restricted net assets of \$4,360,165 (2021 – \$4,000,000).

(b) Consolidation reserve transfers:

On July 1, 2011, the Agency combined operations with Beef Information Centre ("BIC") and the Federation (now, the Institute). In accordance with the consolidation agreement between the Canadian Cattleman's Association and the Agency, \$5,051,796 was transferred from BIC and the Institute to the Agency as the residual amount remaining after those obligations were settled.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

13. Significant event

In early 2020, there was a global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments. As at the reporting date, the Agency has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. Management has assessed the financial impacts of the COVID-19 pandemic and did not identify any impacts on its non-consolidated financial statements as at March 31, 2022.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may continue to have on the Agency as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be, put in place by Canada, the Province of Alberta or other countries to fight the virus.

14. Contingencies

In the normal conduct of operations, there are other pending claims by and against the Agency. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Agency's financial position or results of operations.

15. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

16. Canadian Beef Check-Off collections and distributions

The Agency's administration fee is calculated based on the budget approved by the Agency's Board of Directors for each fiscal year. The administration is deducted from the Canadian Beef Cattle Check-Off remitted by the provincial cattlemen's associations, and the import levy.

	2022	2021
Collections		
Cattle Industry Development Council (British Columbia)	786,209	771,455
Alberta Beef Producers	10,614,715	9,477,779
Saskatchewan Cattlemen's Association	4,428,503	3,897,522
Manitoba Cattle Producer's Association	1,569,474	1,329,296
Beef Farmers of Ontario	883,547	868,596
Les Producteurs de bovins du Québec	1,658,190	1,647,776
New Brunswick Cattle Producers	50,021	76,806
Nova Scotia Cattle Producers	88,719	74,018
Prince Edward Island Cattle Producers	55,842	70,427
Ontario Veal	148,105	122,808
Total collections	20,283,325	18,336,483
Less: Agency administration	(914,102)	(827,316)
	19,369,223	17,509,167

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

16. Canadian Beef Check-Off collections and distributions (Continued from previous page)

	2022	2021
Distributions		
Manitoba Cattle Producer's Association	87,814	75,264
Beef Farmers of Ontario	411,335	402,098
Les Producteurs de bovins du Québec	1,445,358	1,477,143
New Brunswick Cattle Producers	19,630	20,941
Nova Scotia Cattle Producers	23,342	24,929
Prince Edward Island Cattle Producers	16,487	23,004
Ontario Veal	138,252	115,506
	2,142,218	2,138,885

These are portions of Canadian Beef Cattle Check-Off returned to the respective provincial cattlemen's associations based on the agreed Canadian Beef Check-Off allocation percentages.

17. Marketing (Operations & Market Development Programs)

	2022	2021
Market Development - North America		
Canada market development	4,273,950	3,475,754
Market Development - Global Markets		
China	622,592	309,015
Emerging Markets	205,893	39,335
Japan	737,799	481,008
Korea	149,857	90,793
South East Asia	202,386	231,084
Latin America	373,026	230,128
Global Markets	1,728,956	739,814
Canadian Beef Centre of Excellence	396,589	190,925
	5,377,857	3,512,705
Total Marketing - Market Development Programs	8,691,048	5,787,856

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

17. Marketing (Operations & Market Development Programs) (Continued from previous page)

	2022	2021
Operations (Canada)		
Amortization	150,873	155,869
Bank charges and interest	8,306	7,169
Computer maintenance and supplies	50,806	63,212
Computer maintenance and supplies	58,282	56,639
Licenses and subscriptions	20,159	17,241
Office and meeting	63,976	15,716
Recruitment and training	6,811	11,099
Rent and lease payments	373,964	365,048
Salaries and benefits	2,191,779	2,036,380
Sponsorship and donations	100	-
Travel and insurance	60,826	45,185
Utilities	33,521	33,242
	3,019,403	2,806,800
Operations (Foreign)		
Amortization	13,529	10,441
Bank charges and interest	3,528	3,149
Computer maintenance and supplies	10,511	24,127
Consulting, legal and audit	78,600	62,953
Foreign exchange loss	5,116	21,940
Licenses and subscriptions	13,415	5,970
Office and meeting	47,789	12,490
Office and meeting	33	-
Rent and lease payments	187,188	214,140
Salaries and benefits	689,791	855,366
Travel and insurance	2,395	2,811
Utilities	19,380	40,838
Consumption tax recovery	(96,987)	(43,181)
	974,288	1,211,044
Total Marketing - Operations	3,993,691	4,017,844
Total Marketing - Operations & Market Development Programs	12,684,739	9,805,700
Allocation of funds:		
Marketing - Generic Beef	1,162,522	1,303,698
Marketing - Branded	11,522,217	8,502,002
	12,684,739	9,805,700

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Financial Statements

For the year ended March 31, 2022

18. Functional information

The Agency has elected to present information on its main functions separately for reader information.

(a) Marketing

The Marketing Committee is responsible for planning and establishing the Marketing strategic, business and operational goals and objectives and for the overall management and operation of the business and affairs of Marketing. The Agency transfers funds to Canada Beef to conduct marketing programs and public and stakeholder engagement activities. These transactions are based on percentage allocations of remitted levies from provincial cattle associations and investment of the import levies. The Agency and Canada Beef also share costs relating to business, office and board expenses, and transactions are required between the two parties in respect to those areas as inter-functional transfers.

(b) Agency

The purpose of the Agency is to promote the marketing and production of beef cattle, beef and beef products for the purposes of interprovincial, export and import trade, and conduct and promote research activities related to those farm products. The Agency contracts external service providers to conduct the work and deliver on these objectives. As per the Agency's bylaws, the Marketing Committee's role and responsibility are outlined as an internal service provider, conducting business as Canada Beef, hereinafter referred to as "Marketing" or "Canada Beef". The Agency is responsible for overseeing the business goals of the service providers, the management and administration of check-off and import levy revenue and ensuring that the Agency and service providers comply with all regulations, by-laws and policies.

18. Functional information (continued):

Statement of Financial Position

	Marketing	Transfers (i)	Agency	Transfers (i)	2022
Assets					
Current assets:					
Cash	\$ 8,498,636	\$ –	\$ 772,138	\$ –	\$ 9,270,774
Internally restricted cash	3,000,000	(3,000,000)	3,360,165	–	3,360,165
Accounts receivable	3,429,167	(2,244,062)	3,831,317	(15,108)	5,001,314
Prepaid expenses and deposits	550,256	–	554	–	550,810
Due from related party	833,247	(161,435)	–	–	671,812
	\$ 16,311,306	(5,405,497)	7,964,174	(15,108)	18,854,875
Capital assets (note 5)	460,140	–	2,230	–	462,370
Investment (note 2(a))	100	–	–	–	100
	\$ 16,771,546	\$ (5,405,497)	\$ 7,966,404	\$ (15,108)	\$ 19,317,345
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,212,811	\$ (15,108)	\$ 3,676,914	\$ (2,244,062)	\$ 3,630,555
Internally restricted cash	–	–	3,000,000	(3,000,000)	–
Due to related party	897,769	–	161,435	(161,435)	897,769
Deferred revenue	302,304	–	–	–	302,304
	\$ 3,412,884	(15,108)	6,838,349	(5,405,497)	4,830,628
Deferred capital contributions	203,657	–	–	–	203,657
Net assets:					
Unrestricted	8,203,209	–	767,890	–	8,971,099
Internally restricted	4,000,000	–	360,165	–	4,360,165
Consolidation reserve	951,796	–	–	–	951,796
	13,155,005	–	1,128,055	–	14,283,060
	\$ 16,771,546	\$ (15,108)	\$ 7,966,404	\$ (5,405,497)	\$ 19,317,345

(i) Transfers reflect adjustments required to eliminate inter-functional transactions. For description of each functions' responsibilities, refer to previous discussion in note 18 (a) and (b).

(ii) For comparative information, refer to the non-consolidated statement of financial position.

18. Functional information (continued):

Statement of Operations

	Marketing	Transfers (i)	Agency	Transfers (i)	2022
Revenue:					
Canada Beef Check Off Agency:					
Domestic Beef Check-Off:	\$ —	\$ —	\$ 20,283,325	\$ —	\$ 20,283,325
Transfers from Agency					
Marketing	9,965,696	(9,965,696)	—	—	—
Public and Stakeholder Engagement	249,025	(249,025)	—	—	—
Import levies	1,014,744	(1,014,744)	50,315	1,014,744	1,065,059
Other income	65,289	—	8,575	—	73,864
	11,294,754	(11,229,465)	20,342,215	1,014,744	21,422,248
Government of Canada – CAP	1,893,871	—	—	—	1,893,871
Amortization of DCC	106,256	—	—	—	106,256
Government of Alberta – EMD	120,875	—	—	—	120,875
	2,121,002	—	—	—	2,121,002
	13,415,756	(11,229,465)	20,342,215	1,014,744	23,543,250
Expenses:					
Canada Beef Check Off Agency:					
Marketing Committee	8,300	—	—	—	8,300
Board of Directors	—	—	64,613	—	64,613
Canadian Beef Check-Off Agency Operations	—	—	610,840	—	610,840
	8,300	—	675,453	—	683,753
Programs:					
Public and Stakeholder Engagement	146,520	—	996,101	(249,025)	893,596
Transfers to Marketing	—	—	9,965,696	(9,965,696)	—
Marketing—					
Generic Beef	1,162,522	—	—	—	1,162,522
Branded	11,522,217	—	—	—	11,522,217
Research	—	—	4,862,827	—	4,862,827
Provincial investment	—	—	2,142,218	—	2,142,218
Provincial portion of the Federal Levy	—	—	1,407,697	—	1,407,697
	12,831,259	—	19,374,539	(10,214,721)	21,991,077
	12,839,559	—	20,049,992	(10,214,721)	22,674,830
	\$ 576,197	\$ (11,229,465)	\$ 292,223	\$ 11,229,465	\$ 868,420

(i) Transfers reflect adjustments required to eliminate inter-functional transactions. For description of each functions' responsibilities, refer to previous discussion in note 18 (a) and (b).

(ii) For comparative information, refer to the non-consolidated statement of operations.



Suite 146, 6715 – 8th Street NE
Calgary, AB, Canada T2E 7H7
Tel: (403) 736-2157



@cdnbeefcheckoff
cdnbeefcheckoff.ca

