



# 2022-2023 Annual Report

Canadian Beef Check-Off Agency



# Contents

- |           |                                  |           |                                   |
|-----------|----------------------------------|-----------|-----------------------------------|
| <b>2</b>  | Message from the Chair           | <b>16</b> | Market Development and Promotion  |
| <b>4</b>  | Message from the General Manager | <b>20</b> | Research                          |
| <b>8</b>  | Agency Members                   | <b>24</b> | Public and Stakeholder Engagement |
| <b>10</b> | Market and Industry Overview     | <b>28</b> | Provincial Investment             |
|           |                                  | <b>42</b> | Financial Statements              |



# Foreword

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 beef and veal 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 2022/23 annual report from the Agency provides a summary of programs and results of Canadian Beef Cattle Check-Off funded activities between April 1, 2022 and March 31, 2023.



## Message from the Chair



**Jeff Smith**  
Beef Producer, Alberta

One year ago I was handed the reins of the Canadian Beef Check-Off Agency, to chair and lead the organization towards the goals our stakeholders set for us. In that past year, I'm proud of where we have come, and of the direction that we have continued to guide the Agency.

We're now fully back into the swing of post-pandemic recovery. Our board is back to meeting in person a few times a year, and we have been able to get back to shaking the hands of our stakeholders on their turf at provincial AGMs, national meetings and a few other events along the way. This really has allowed us to sink our teeth into what is important to our stakeholders, and understanding the unique challenges that each region faces across the country.

Organizations in our industry have spent a lot of time in the past few years focusing on both succession planning and youth engagement. While they aren't always the same thing, they often have some similarities and overlap. Here at the Agency, we are no different – we know that building strong leaders for our organization and our industry is important and we have continued to develop our Members for future leadership roles. We are halfway through the two-year term of our very first Youth Member, Julie Mortenson,

who has been an absolute delight to have at our table. It has been a huge benefit having the unique perspective of someone coming in who was relatively unfamiliar with our organization, and really having Julie dig into what we do and why we do it, has been so valuable for the Agency.

Speaking of valuable, I'd be remiss not to talk about the valuable partnership we continue to have with the Farm Products Council of Canada. Our board was honored to have been invited to the 50<sup>th</sup> anniversary celebration of the Council in Ottawa last year, where we were able to meet both with the Council members themselves, with the national marketing agencies, and with the one other promotion and research agency, our friends in pork. It is always great to learn more about what we have in common with other groups, and also how vast our differences can be.



**“ My first year as Chair has been a pleasure working on behalf of our stakeholders, and I’m looking forward to seeing some of the work we’ve begun in 2022/23 moved forward.”**

We have been administering the pork import levy for just over a year now, and we are pleased at how our partnership is going. Utilizing the infrastructure created for beef import levy collection, we have been able to successfully deliver our services to a great industry partner, the Canadian Pork Promotion-Research Agency (PPRA). The PPRA and the Agency have been able to share a lot of lessons learned on both sides, and I believe it makes both organizations stronger in the long run to work together in areas such as this.

An area of importance as always, is the administration of the beef check-off, and ensuring that it is managed prudently and transparently. To this end, we are thrilled to have welcomed Brad McCallum to the team as a full-time employee, leading the Compliance and Education priority areas of the Agency. We’re excited to be expanding this area of our organization, which will lead to strength in compliance, more efficient and streamlined reporting, and furthering our commitment to our regulatory framework.

Another thing I would like to highlight from the past year is the work that the Agency continues

to do to keep our administration costs at a level acceptable by our stakeholders. We worked hard to become more efficient through the pandemic, and have continued to hold our budgeted administration percentage at four and a half per cent. We strive to do more with less, and find innovative ways to meet challenges. 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.

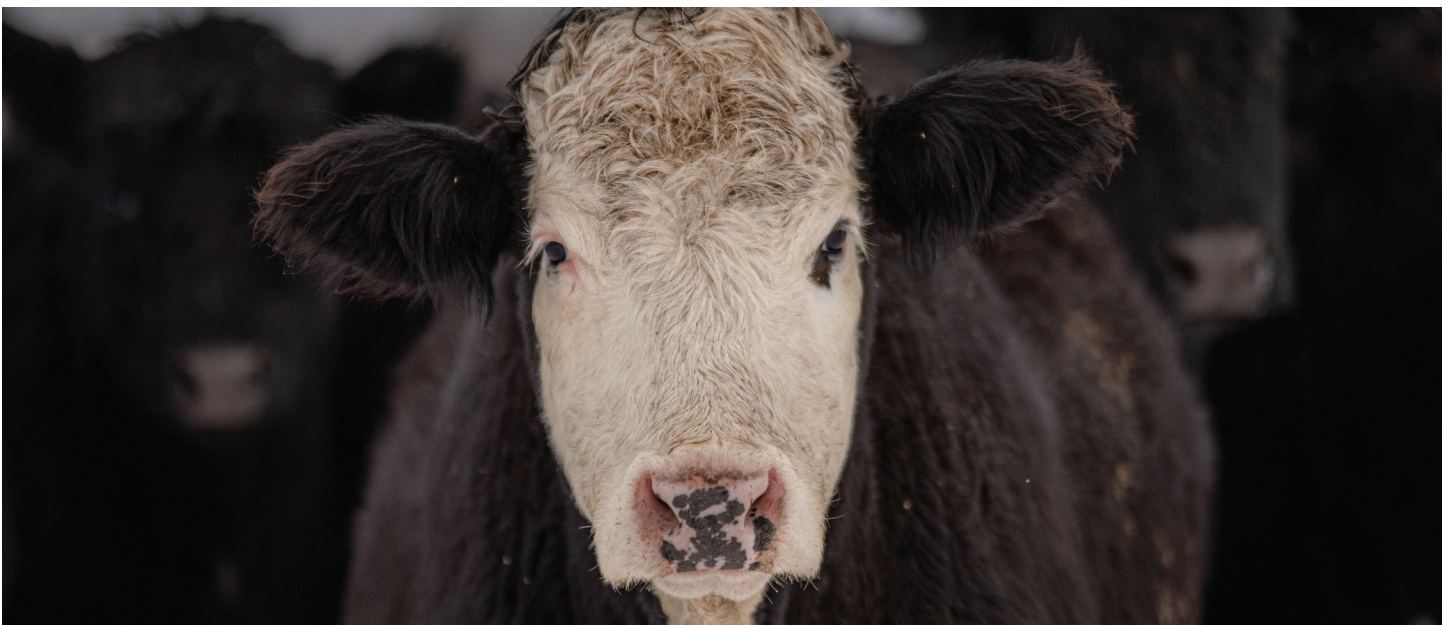
Our service providers at Canada Beef, the Beef Cattle Research Council (BCRC) and Public and Stakeholder Engagement (PSE) continue to do great work on behalf of the industry. Canada Beef renovated the Canadian Beef Centre of Excellence (CBCE) to meet the changing needs of consumer and partner outreach since the pandemic. BCRC invested into industry-leading research on the relationship between transport rest stops and Bovine Respiratory Disease (BRD). The PSE team continued to show strong value in public engagement, with a rallying call to Canadians to “Get Both Sides”, a campaign focused on the environmental benefits of beef production aimed at millennial women.

I would also like to take a moment to recognize the staff at the Agency. The team continues to do great work for our industry, and support the Agency Members in whatever we need to be successful leaders. They really do make our job easy. We know that everything they do for our board, and in their day to day work, is with the best interests of our stakeholders in mind.

My first year as Chair has been a pleasure working on behalf of our stakeholders, and I’m looking forward to seeing some of the work we’ve begun in 2022/23 moved forward. I am confident you will continue to see lots of great things from the Agency, and we will continue to do what is right for the beef and veal industry in Canada.

Until next time,

**Jeff Smith**  
Chair



# Message from the General Manager



Melinda German

In 2022/23, the Canadian Beef Cattle Check-Off revenue totalled \$18,299,587 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 \$1,185,219. These funds, net administration, are allocated to unbranded, generic beef and veal marketing such as nutrition marketing, recipe development and culinary skills education. \$812,178 was spent on the administration of the Canadian Beef Check-Off Agency and the Board, which was under budget by \$104,822.

## Administration

The Agency's budget supported the operations and Board, as well as the Agency's four strategic objectives:

- Sound Governance and Administration
- Structured Reporting and Compliance
- Educated and Engaged Stakeholders
- Strategic Communications and Collaboration

## Sound Governance and Administration

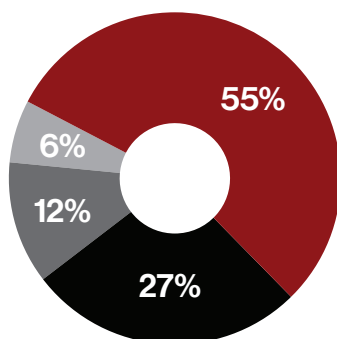
This year, the Agency finalized a five-year review of the governance and operational structure of the Marketing Committee, and most of the work was completed in 2022/23. The review was focused on ensuring that the Agency and Marketing Committee were able to function efficiently in both governance and operation, and deliver the high quality service that stakeholders expect. The review did not identify any major challenges to the governance or operational structure but did identify opportunities to better support the Marketing Committee Members in their role. The Committee has developed a plan to address challenges in onboarding, orientation and ensuring clarity on the roles and responsibilities of the Committee.



## ALLOCATION OF REVENUE (%)

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

- Market development and promotion
- Research
- Retained by provincial cattle associations for regional marketing and research
- Public and stakeholder engagement



The Agency continues to focus on strengthening the skills of Agency Members to prepare for future leadership roles. A set of recruitment resources was developed to ensure that potential and new Members can understand the role, requirements, and responsibilities early on. The tools, along with the commitment from the Agency Members, continue to attract and retain engaged Members.

A full year of administering the pork import levy has proven to be a beneficial partnership for both the pork and beef promotion and research agencies, piggybacking on existing infrastructure and processes that the Agency employs for the beef import levy. Strong connections built through collection management have given way to an increasing compliance rate for both the pork and beef levies.

The Agency's administrative costs were higher last year when compared to the past few years operating during the COVID-19 pandemic closures and travel restrictions. To reconnect with stakeholders across the country, Agency representatives began travelling to AGMs, meetings and met in person as a full board at the AGM in August for the first time since the beginning of the pandemic. The Agency is still focusing on efficient administration and will continue to employ remote meeting and work opportunities when it makes sense to do so. The Agency also chose to hold a fall board meeting in Ottawa in conjunction with the 50th anniversary celebrations of the Farm Products Council of Canada (FPCC), building on the robust relationship between the two organizations.

## Structured Reporting and Compliance

The Agency's appointed inspectors conducted multiple field and provincial association audits last year. A contract inspection program with Veal Farmers of Ontario (VFO) showed value to both the VFO and the Agency, with an "education first" strategy. Field inspections in Manitoba, British Columbia, Ontario, and Saskatchewan resulted in identifying over \$360,000 in unremitted check-off. In addition, three provincial cattle association audits have been completed, where both efficiencies and error corrections were implemented. New staff support and training also took place in both Alberta and Prince Edward Island to help new hires familiarize themselves with processes and requirements of check-off collection and remittance.

Reporting requirements for service providers, especially for provinces who allocate to provincial investment, continue to be a focus for increased efficiencies and reporting content. Stakeholders continue to seek transparent reports from the Agency in these areas, to showcase the results that check-off dollars are generating through innovative projects, programs, and strategies.

## Engaged and Educated Stakeholders

The Agency continued to develop annual report cards for ten provincial associations and I.E. Canada, which focus on year over year revenue comparisons, the allocation of check-off and import levy investments, and a distilled picture of how marketings and imports change

throughout the year and across the country. These report cards provide valuable information for associations to assist with budgeting and identifying slippage or collection errors.

Last year was a tremendous year of growth for the Agency's youth engagement strategy. The Agency worked directly with the Canadian Cattle Youth Council to receive a Youth Member nomination and welcomed Julie Mortenson to the board in August. Julie continues to be an active and engaged member of the Agency, working closely with her Agency mentor Chad Ross to develop a stronger understanding for the governance of the Agency, regulatory framework, and making informed decisions on behalf of Canada's beef industry. The Agency's first scholarship program was also developed as a part of the youth strategy, with the first-ever winner to be announced at the Agency's upcoming AGM in August 2023.

## Strategic Communication and Collaboration

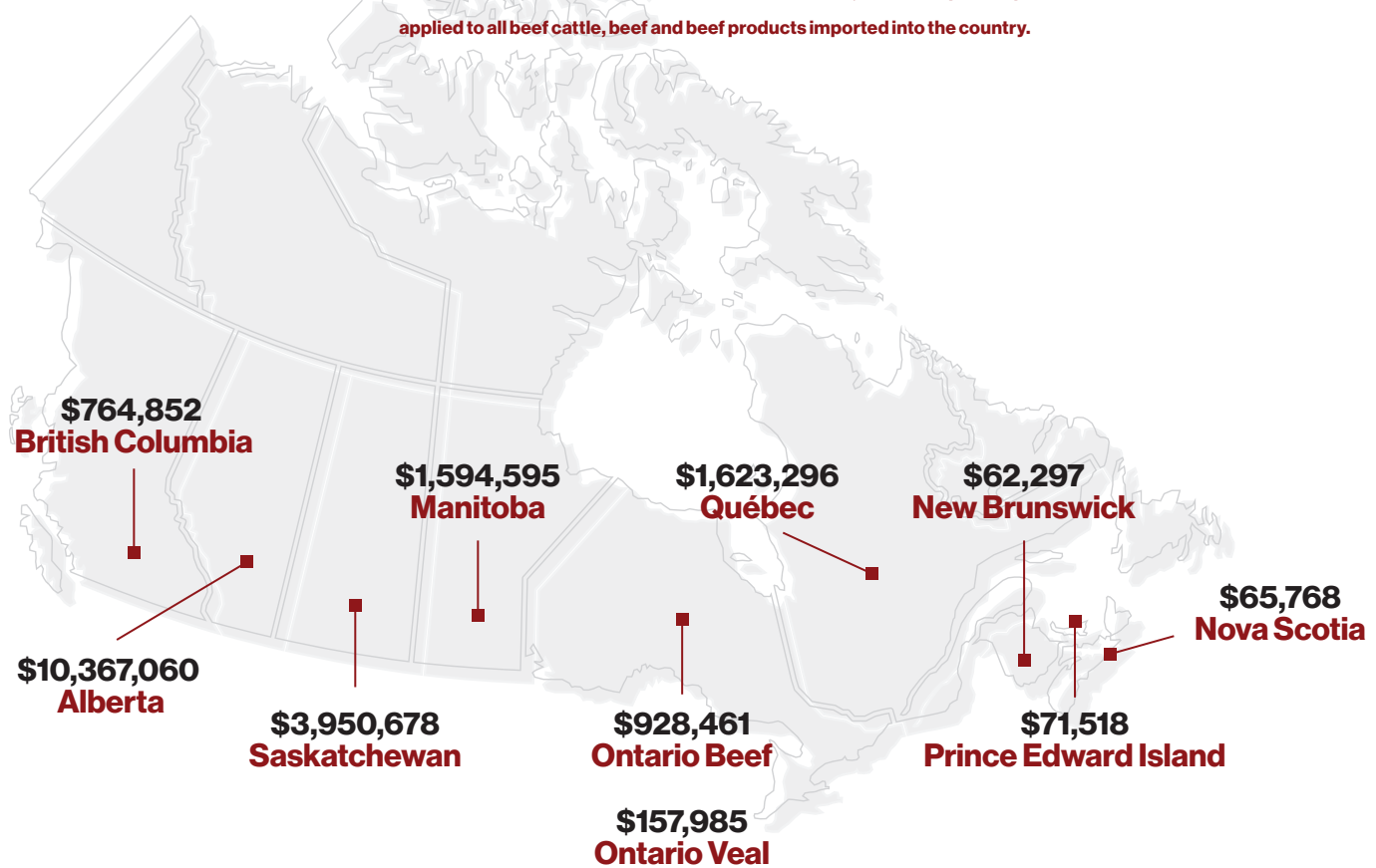
The Agency continues to be a go-to source for cattle marketing data in Canada. With one of the most accurate sets of data for number of marketings in the country, the Agency has found opportunities to work with stakeholder groups and larger industry organizations to help create more accurate data sets. This could add value to producers and producer groups who rely on accurate data from these organizations to make business or program decisions.

The Agency's online communication channels were busy this year, with a 27% increase in website traffic (about half generated through social media) and a 10% increase in readership (open rate) on the Agency's newsletter and email blasts. Most of the increase can be attributed to the interest in the Agency's recent ROI study showcasing the 33:1 return on investment for producers, and the launch of the Agency's first scholarship program.

**Melinda German**  
General Manager

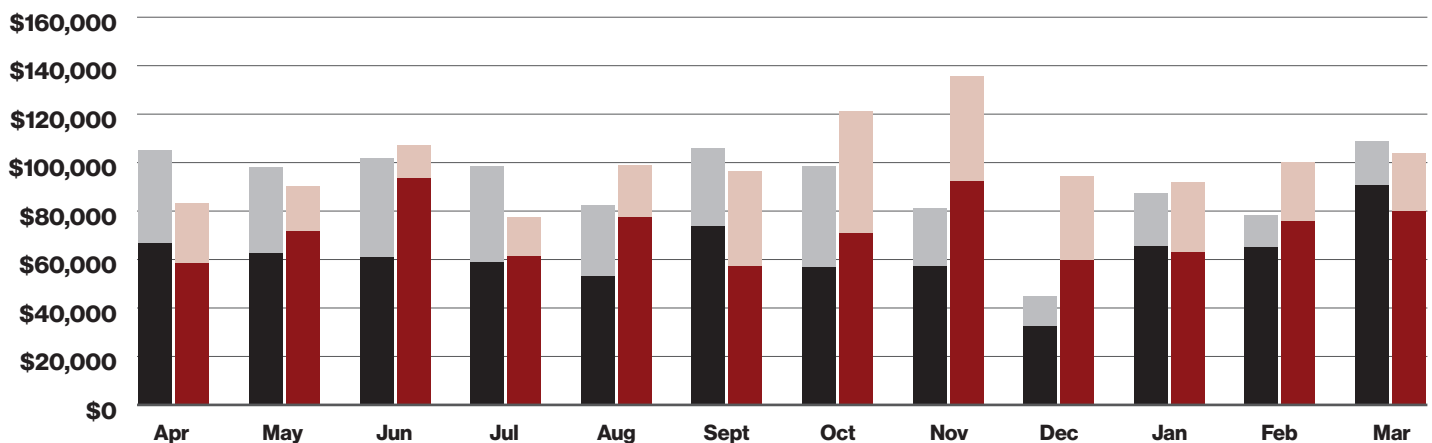
## CHECK-OFF AND IMPORT LEVY

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.

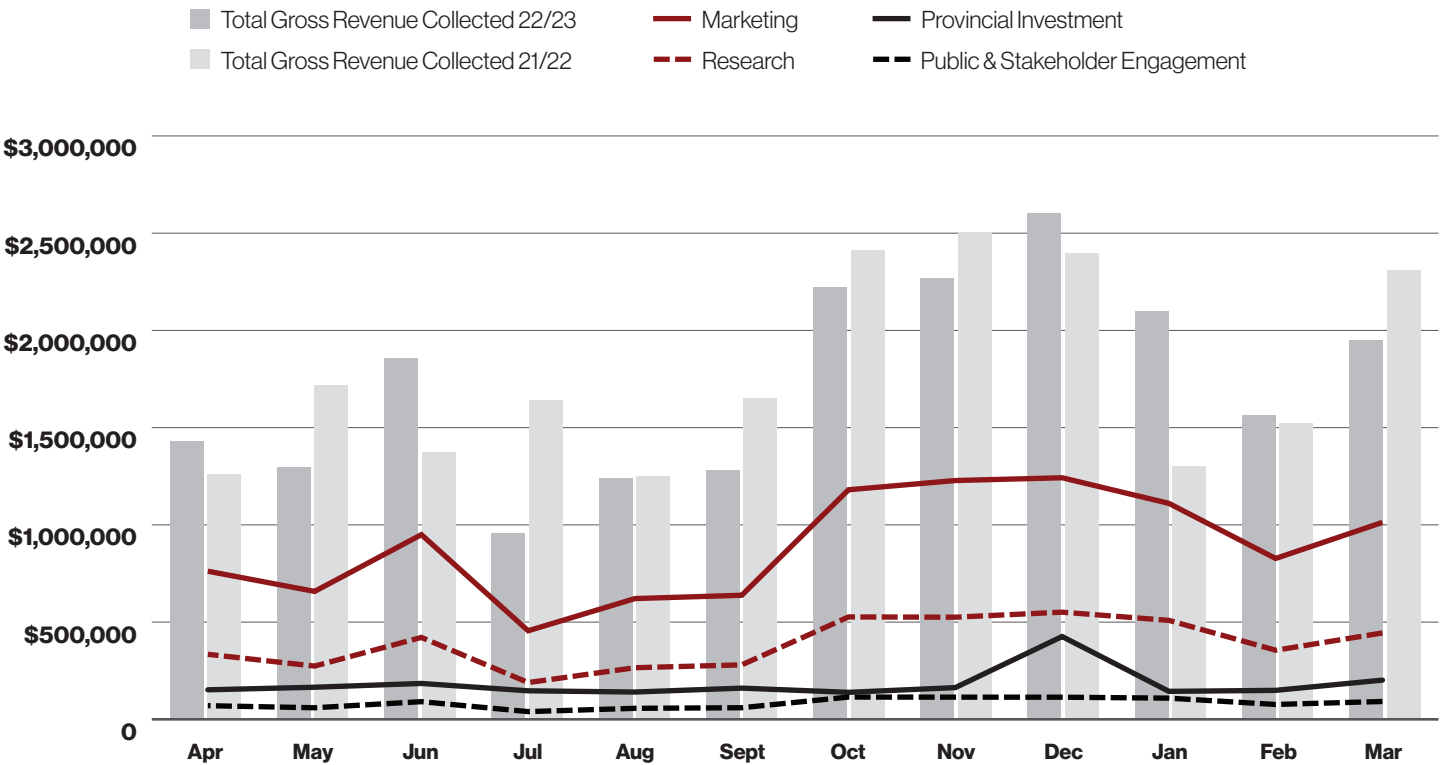


## ANNUAL IMPORT LEVY COMPOSITION

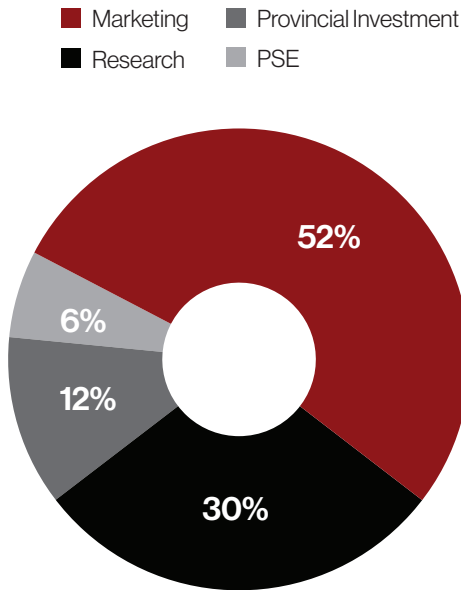
■ 2021/22 Beef + Product    ■ 2021/22 Live Cattle  
 ■ 2022/23 Beef + Product    ■ 2022/23 Live Cattle



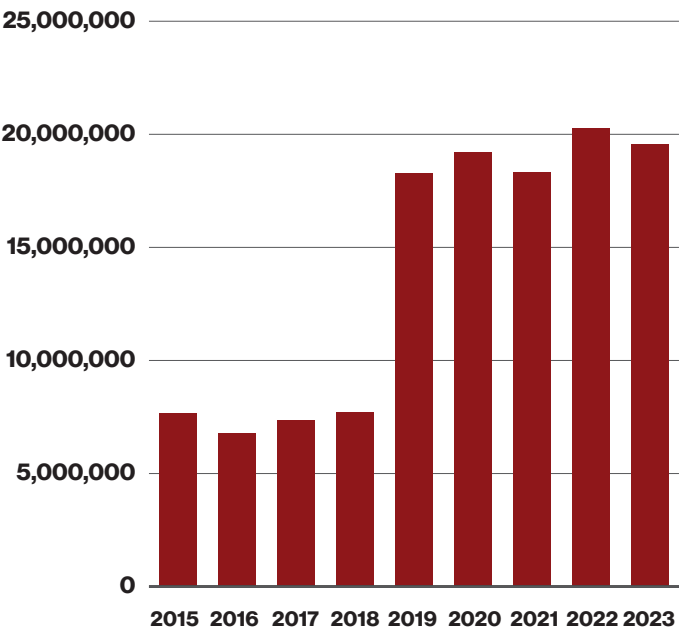
TOTAL REVENUE COLLECTED VS SERVICE PROVIDER DISTRIBUTIONS



SERVICE PROVIDER DISTRIBUTIONS  
5 YEAR AVERAGE



TOTAL REVENUE BY YEAR



# Agency Members

The Agency's Board consists of 16 Agency Members from across Canada and one Youth Member observer.

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 food service operators. These six representatives are nominated by their respective organizations, or by the delegates at the Annual General Meeting. The youth position is nominated by the Canadian Cattle Youth Council.

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 and import levy dollars into market development and promotion. The members of this committee come from the best of the best in beef, veal and marketing, ensuring that the Canadian beef industry receives strong value from their marketing investment through check-off.



## 2022/23 Agency Members



**Jeff Smith**  
Chair, Alberta



**Trevor Welch**  
Vice Chair, New Brunswick



**Andrea Van Iterson\***  
British Columbia



**Sheila Hillmer**  
Alberta



**Chad Ross**  
Saskatchewan



**Mary Paziuk**  
Manitoba



**Jack Chaffe**  
Ontario



**Kirk Jackson**  
Quebec



**Larry Weatherby**  
Nova Scotia



**David Francis**  
Prince Edward Island



**Coral Manastersky**  
I.E. Canada



**Russ Mallard**  
CMC



**Andre Forget**  
CMC



**John Curtis**  
CMC



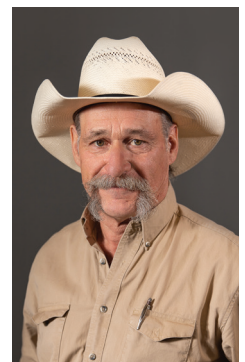
**Jeff Cline**  
CMC



**Stephen Christie**  
Retail & Foodservice  
Sector



**Julie Mortenson**  
Youth Member (observer)



**Terry Wiebe\***  
British Columbia

\*It is with heavy hearts that we acknowledge the passing of Terry Wiebe, who was first elected to the Agency in 2019. Andrea Van Iterson was appointed as the temporary substitute member on behalf of British Columbia.

# Market and Industry Overview

Prepared by Canfax Research Services

The feeder market began 2022 trending along historical averages. The second half, though, saw considerable tailwinds enter the feeder market.

## Cattle Prices Climb Higher, Feed Costs Impact Margins

Between July and December, Alberta 550 lb steers rallied \$38/cwt higher, averaging \$275/cwt by year end. Most of the price strength occurred in the third quarter. Alberta 850 lb steers climbed \$23/cwt in the second half, closing 2022 at \$232/cwt. Again, the action happened in the third quarter, with 850 lb steers climbing \$42/cwt, before seeing a small price correction to end the year. The Canadian dollar weakened almost four cents in the second half of 2022 to \$0.7348, further supporting Canadian feeder prices.

Alberta fed steer prices strengthened consistently throughout 2022, though profits on the cash market (assuming no risk management) were not realized, highlighting the importance of risk management strategies. Drought conditions across the U.S. Corn Belt in 2022 spiked feed barley prices last fall, negatively impacting margins. Alberta live fed steer prices in December averaged 15% stronger than January at \$184/cwt. Drought induced placements in the second half of 2021 kept cattle on feed inventories elevated in the first half of 2022, widening basis levels. In the second half of the year, U.S. fed cattle inventories tightened faster than Canadian inventories, and kept the basis historically weak.



## Beef Production Increases on Weak Basis, Higher Carcass Weights

Canadian beef production (domestic slaughter + live slaughter exports) in 2022 increased 2.2% from 2021 to 3.51 billion pounds. Domestic slaughter was up a slight 0.9% from last year, live cattle exports were a significant 11.9% higher. Fed exports of 319,000 head were up 18% and non-fed exports of 219,000 head were up 3%. Canadian slaughter utilization was 94% last year, indicating the Canadian packing industry was running at full capacity. Western packing plants had 19 weeks where they ran over 100% capacity indicating Saturday shifts were run to manage supplies. The absence of feedlot profits on the cash market encouraged feedlot managers to keep cattle on feed for additional days, in an attempt to claw back some of the losses from the weak basis. Average steer carcass weights in the fourth quarter were a record 960 lbs.

After being a net exporter of feeder cattle to the U.S. in the first half of 2022 to the tune of 24,400 head, we became a net feeder importer of 145,900 feeder cattle in the second half of last year, supported mostly by fourth quarter imports. Feeder cattle imports in the second half further supported domestic production numbers in the first half of 2023.

On January 1<sup>st</sup>, 2023, the Canadian cattle cow herd was 2.2% lower than the previous year to 11.27 million head, beef cow inventories were 2.5% lower to 3.56 million, and beef heifers kept for breeding were down 4.3% to 551,500 head. Western Canada continued to liquidate with total cattle inventories down 2.7% to 8.5 million head, beef cows were down 3.1% to 3.18 million head, and beef heifers for breeding were down a significant 4.8% to 496,900 head. Historically strong cull cow prices pushed more cows to slaughter last year and increased the cow culling rate to 14.3%.

## KEY NUMBERS

 **\$184/cwt**

Alberta fed steer price in 2022

 **2.2%**

increase in domestic production

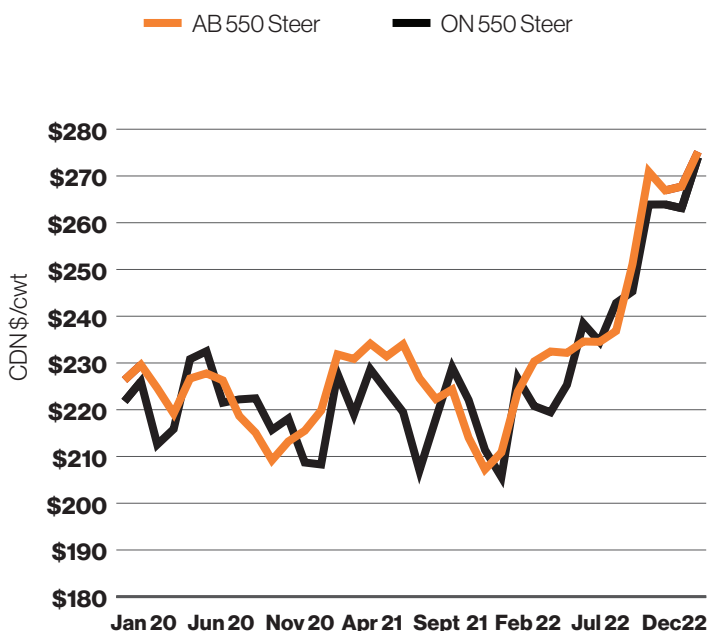
 **3.51 billion lbs**

Canadian beef production in 2022

 **\$275/cwt**

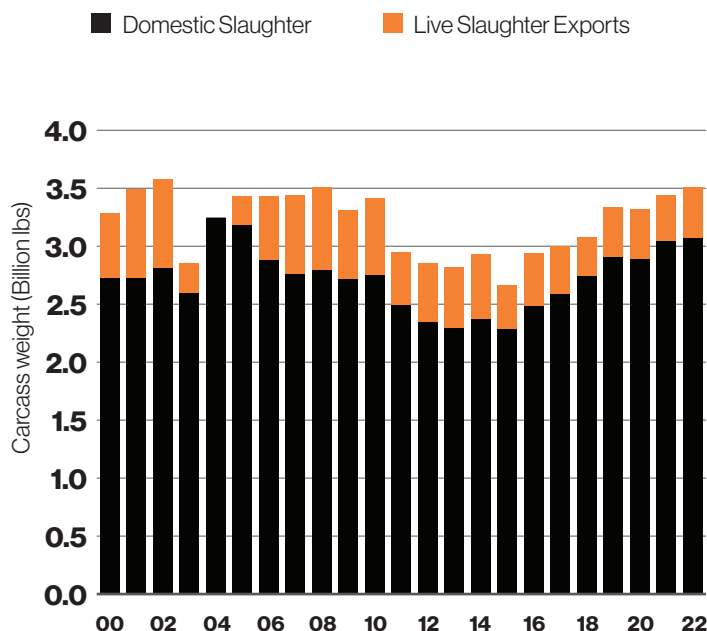
average Alberta 550 lb steer price

## ALBERTA AND ONTARIO FED STEER

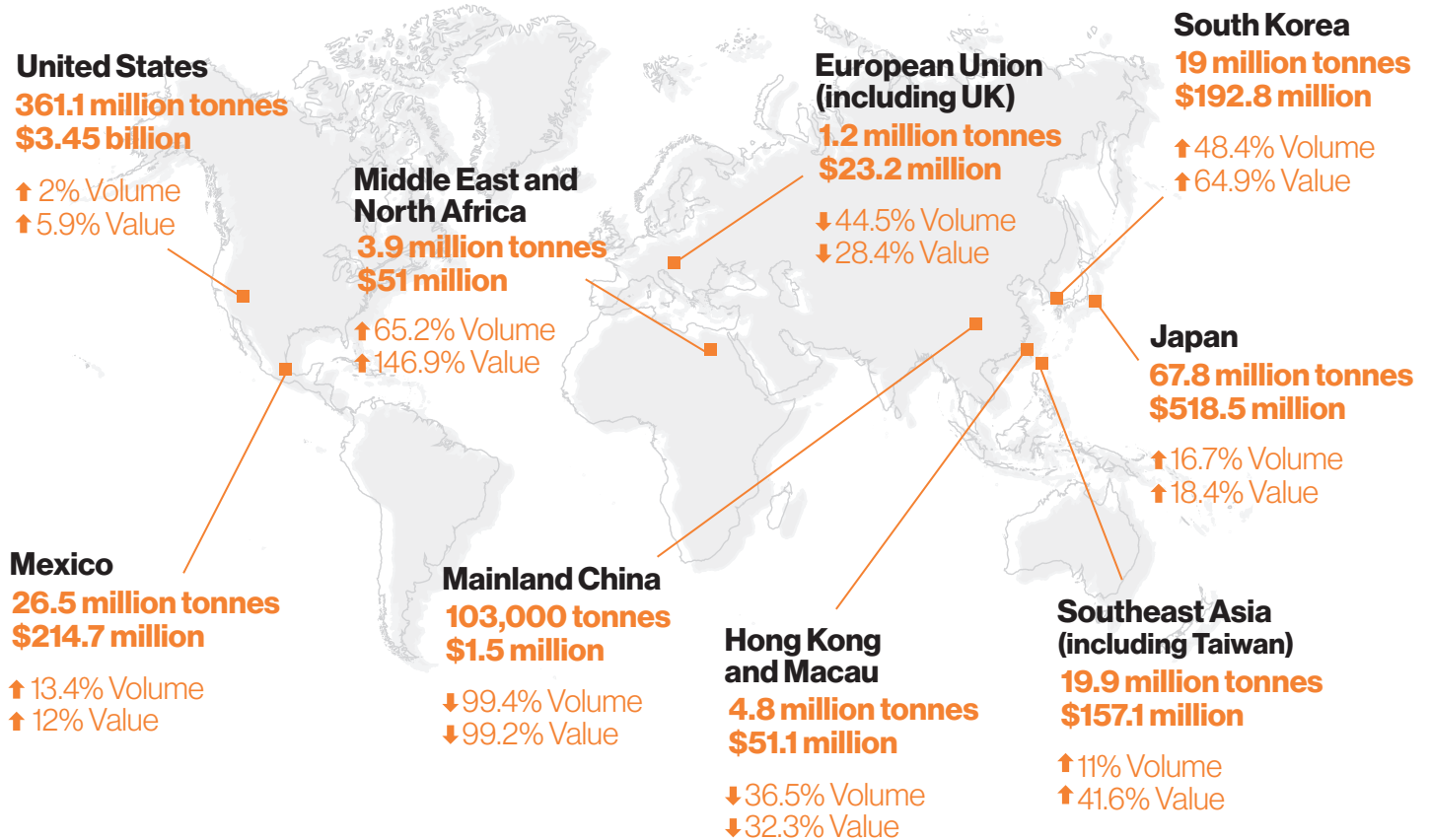


## CANADIAN BEEF PRODUCTION

CANFAX RESEARCH



## CANADA EXPORT 2022



### Beef Consumption Remains High on Canadian and International Markets

Total domestic beef consumption in 2022 was 967,000 tonnes (carcass weight), up 5% from 2021. Higher production (+2.2%), a reduction in exports (2.2%), slightly higher imports (+1.1%), along with a 2.7% increase in the Canadian population drove the increase in beef consumption. Per capita beef consumption increased 2.9% to 17.5 kg retail weight. Retail beef prices at the meat counter were 7.7% higher at \$19.74/kg. However, after accounting for inflation, beef prices were only 0.8% higher at retail.

Canada exported a total of 511,000 tonnes of beef (product weight), up 1.4% from 2021 to be the largest volumes since 2002 and the second largest volume since recording began. The value of Canadian beef exports was \$4.67 billion, up 5.1%, and was the largest since recording began. The per unit price of exports increased 3.7% to \$9.15/kg.

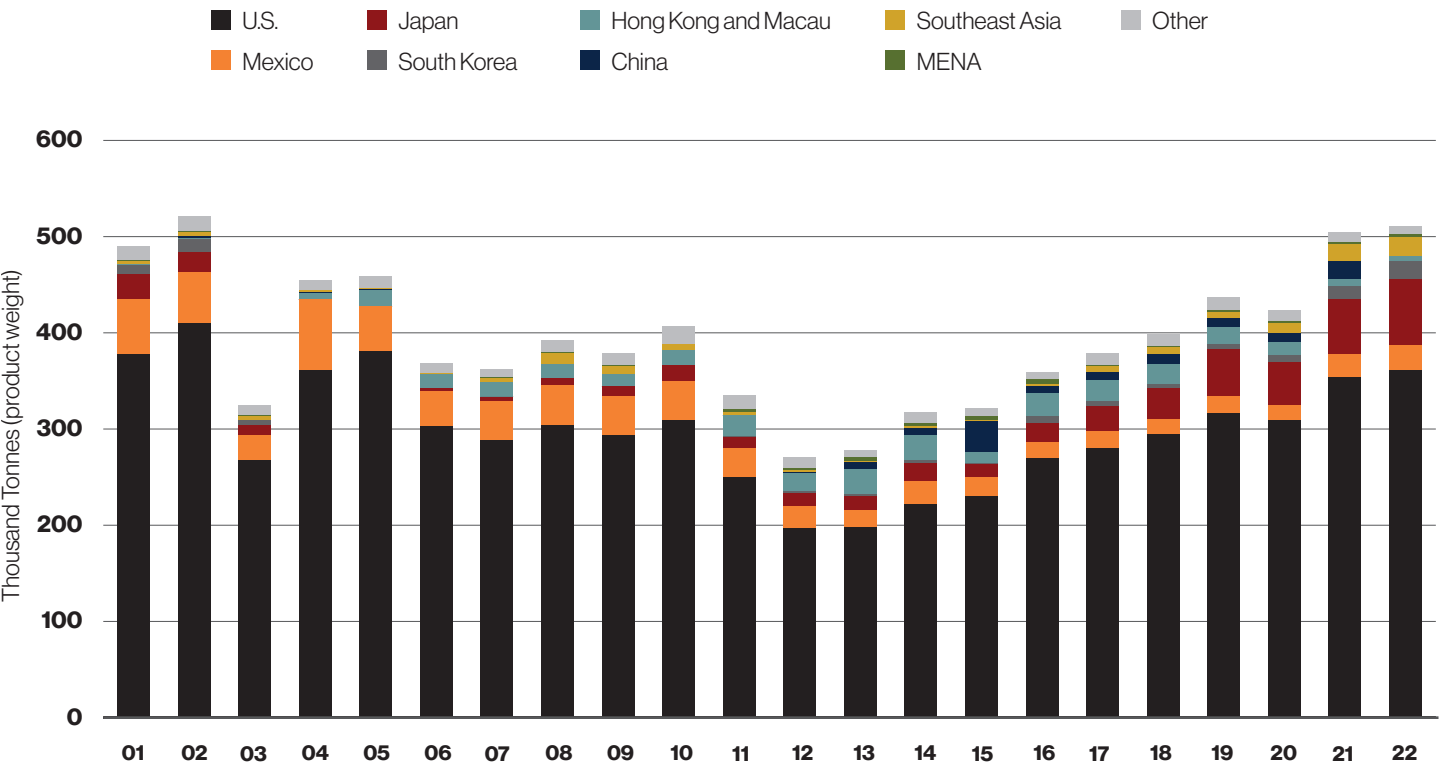
### KEY NUMBERS

 **511,000**  
total tonnes of beef exported from Canada

 **\$4.67 billion**  
value of Canadian beef exports

 **\$9.15/kg**  
per unit price of beef exports

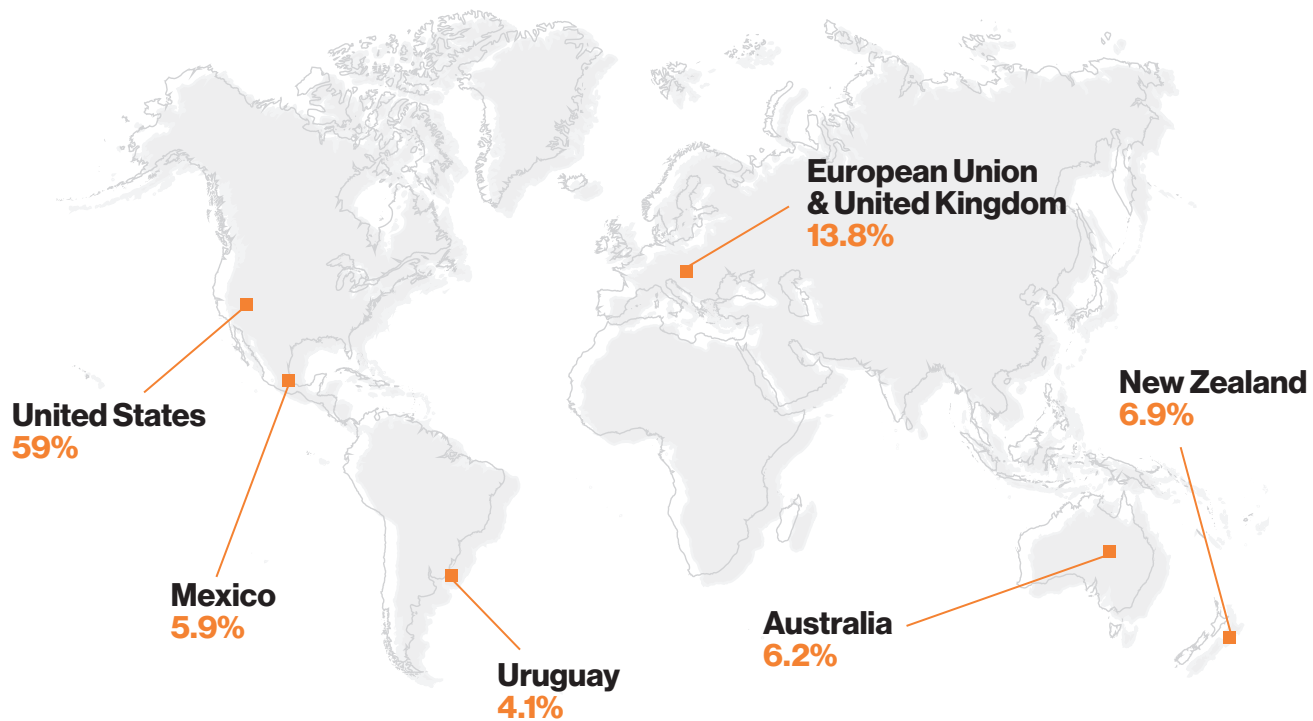
CANADIAN BEEF EXPORT VOLUME



Source: Statistics Canada, CFIA



## CANADA IMPORT 2022



**The U.S. remains our largest import supplier, with 59% of total beef imports.”**

Beef imports were up 3.8% in volume (product weight) from 2021 to 167,700 tonnes valued at \$1.65 billion. The value of imports was up a significant 16% from 2021 to be the highest on record. The U.S. remains our largest import supplier, with 59% of total beef imports. The EU+UK, at 13.8%, is Canada's second largest source for beef imports. New Zealand (6.9%), Australia (6.2%), Mexico (5.9%), and Uruguay (4.1%) round out Canada's major sources for beef imports. Canadian net beef trade was mostly steady with 2021. Net trade volume was up a very slight 0.2% to 343,315 tonnes valued only 0.1% lower at \$3.03 billion.

## KEY NUMBERS



**167,700**

total tonnes of beef imports  
to Canada



**\$1.65 billion**

total value of Canadian  
beef imports



“ **New crop corn and barley prices have continued the downward trend and should be supportive to feedlot margins this fall.** ”

### First Quarter 2023

Inflation continues to erode consumers' purchasing power. Tightening North American inventories will reduce global availability of high-quality grain-fed beef. Beef/pork and beef/chicken price ratios in the first quarter of 2023 were historically wide. Consumers began to switch to pork and chicken in an effort to put meat on the table while reducing retail costs at the meat counter. Demand erosion for beef has already been seen in some Asian markets as they struggle with an increased cost of living.

Domestic production in the first quarter was 1% lower than 2022, fed production was 3% lower. The first quarter of 2023 was supported by non-fed production, up 12%. More beef is entering the market, though it is lower-quality trims and grinds, rather than high-quality primals. Canadian beef production is projected to be down 4-6% in 2023. On tighter supplies, cattle prices for all classes increased throughout the first quarter to reach or surpass the 2015 highs.

Feed grain prices softened from the first of January to the end of March with Lethbridge

barley down \$28/tonne and Ontario corn down \$16/tonne. New crop corn and barley prices have continued the downward trend and should be supportive to feedlot margins this fall.

Canada's beef export market remains strong. Export volumes in the first quarter of 2023 were up 5.4% in volume and 5.1% in value from the first quarter last year. The U.S. is expected to have a significant 5.4% drop in beef production this year. More Canadian beef may remain in North America to fill the void left by reduced U.S. production.

# Market Development and Promotion

Canada Beef delivers its business strategy through consumer marketing and market development activities in Canada and key export markets around the world.

## **Total investment: \$10,774,370 (check-off and import levy)**

These efforts increase awareness and demand for Canadian beef and veal while ensuring the maximum value for producer dollars.

'The new normal' is a term used to describe the period that follows a significant transitional phase, and it aptly describes the emerging marketplace for Canadian beef. Two years of the COVID-19 pandemic have given rise to many short-term, and potentially long-lasting, changes to the domestic and international marketplaces.

It is within this market context that Canada Beef worked with cattle and beef sector groups, other commodities, downstream value chain partners, government, and stakeholder partners to collaboratively find a way forward. During the 2022/23 fiscal year, Canada Beef remained responsive by pivoting and repositioning marketing efforts on a continual basis to provide proactive solutions to market challenges.

In December 2021, despite Canada's Negligible Risk status, a handful of international markets suspended imports of Canadian beef following the detection of a case of atypical bovine spongiform encephalopathy (BSE). While most affected markets reopened by January 2022, the mainland China market has remained closed for the past 17 months and there are no signs that circumstances will change soon. Canadian beef exports in 2022 reached record high values and the second highest export volumes in history, indicating that other markets have more than made up for the loss of access to mainland China. Here at home, escalating inflationary pressures added to residual pandemic challenges that, along with strong international demand for beef, kept upward pressure on animal protein prices.

Canada Beef's domestic social and **digital spaces** were used to engage and connect with consumers and producers to build brand loyalty. The Canada Beef English website saw over



650,000 users with 1.2 million page views this fiscal year. The top content pages viewed and searched were Roasting Know How and Recipes. Canada Beef's French website had over 341,000 users. The French website had a complete refresh and its structure now matches the English website. The LoveCDNBeef YouTube channel, with 106 new videos, netted three million video views and 23,000 hours of viewing with 845,000 consumer impressions.

Canada Beef's domestic social platforms continued to support marketing efforts by building brand loyalty, sharing beef facts, nutrition information, and educating consumers on beef production. Combined results for the year totaled over 29 million consumer impressions, 510,000 engagements and 190,000 post link clicks. New followers across all social platforms increased 2.3% for a total combined fan base of over 72,000 followers.

More than 110 restaurants across the country participated in **Canada Beef's national Burger It Forward campaign** in February 2023, resulting in over \$53,000 in donations to local and national food bank efforts. The campaign aimed to "beef up" the protein portion of food bank offerings while supporting locally

owned restaurants. Participating restaurants came from six regions: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Atlantic Canada. Each participating restaurant served a special local burger featuring 100% Canadian beef. For every campaign-featured burger purchased, Canada Beef donated the equivalent of one meal to Food Banks Canada, up to a maximum of 20,000 meals. An estimated 29,261 burgers were sold during the campaign. On average restaurants experienced a 24% sales increase. The campaign also generated over 36 million consumer impressions from both traditional and social media.

The Import Levy provides funding for **positive beef and veal messaging across Canada.**


The award-winning One & Only Beef consumer campaign that generated millions of consumer impressions is a recent example of the Import Levy at work to benefit beef consumption.

The Health and Nutrition team monitors newly released nutrition studies focused on red meat in the diet on an ongoing basis and identifies topics and findings that are of interest to the public, the media and to Canada Beef. After reviewing the research, the team distills and organizes the information, and finds the pieces that are

## KEY NUMBERS

 **72,000**  
followers across all Canada Beef social platforms

 **29 million**  
consumer impressions

 **1.2 million**  
page views on the Canada Beef English website





relevant to Canada Beef. The information helps to update resources and inform research summaries as well as position papers that provide intelligence to organizations involved in policy work (for example resources to help navigate Health Canada's new front-of-package (FOP) nutrition labelling regulations). The findings also serve to inform **communications direct to health professionals**.

The **Canadian Beef Information Gateway (Gateway)** launched in Loblaw Companies Ltd.'s Real Canadian Superstore locations in 2022. This first partnership with a national retail banner occurred in the debut year of the Canada Beef initiative to keep beef on the dinner plates of consumers. Canada Beef continues to pursue branded Gateway partnerships with additional national retailers. Partner editions of the Gateway have been developed in preparation for pilot launches, and presentations and customized animations have been created to communicate Gateway partnership opportunities.

A new database-driven platform for the Gateway provides enhanced capabilities such as automation of content creation; automatic translation; a system to enable partners to manage their own Gateway editions; and incorporation of capabilities to support

electronic coupons and promotions. The first phase, Canadian Beef edition of the Gateway launched in January 2022 for smaller retailers and those looking for easy to implement solutions.

The newly renovated **Canadian Beef Centre of Excellence (CBCE)** features state-of-the-art audio/visual and communications equipment to support Canadian beef digital resource development, technical demonstrations, and interactive conferencing capabilities from an enhanced boardroom and three multimedia studios: Consumer Culinary, Commercial Culinary and Meat Cutting. In addition to supporting many Canada Beef programs with digital content, the updates allow CBCE to reach a wider audience via digital resource distribution and virtual presentations with fewer logistical challenges. The CBCE produced or assisted in producing 681 videos and 440 photos in 2022/23 to support foodservice, retail, and wholesale applications.

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

## KEY NUMBERS

 **55**

Export Market and Development Program projects approved

 **23**

number of trade shows Canada Beef participated in

 **1,700**

meat trade professionals received training and education about Canadian Beef products



**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.”**

and offal than here at home. Canfax estimates that beef exports provide an additional \$1,158 per head/carcass in value (5-year 2018-2022 average) to the packer that determines value throughout the supply chain.

This past year Canada Beef participated in 23 international tradeshow held in nine different countries to meet and identify new and potential customers. Over 6,800 potential customers visited Canada Beef trade booths generating about 625 business leads. About 1,700 international meat trade professionals received technical training and education about Canadian beef products. Canada Beef executed marketing and promotion programs with 24 retail and 13 food service clients in 10 different countries. As well, Canada Beef partnered with Canadian Embassies and Consulates to conduct 16 promotional events in eight countries.

In addition to the above Canada Beef marketing programs, 55 Export Market Development Program projects were approved that supported 14 incoming buyer delegations, one outgoing

market development visit, 19 different promotion and marketing initiatives, 19 projects that involved international trade show and seminar attendance, and two market/product/competitor benchmarking projects. Of these 55 approved projects, 31 different companies received support targeting 10 different export markets.

While the marketplace has adapted and economies have begun to move to a post-pandemic phase, the transition has coincided with the highest inflationary period in decades and the looming threat of a global economic recession. The 2023/24 investment plan is designed to be nimble and responsive, allowing Canada Beef to meet the needs of consumers and trade clients in domestic and international markets and find or create the market opportunities that can come from change. This approach is what will set Canadian beef apart from its competitors and provide the maximum benefit for Canada’s cattle producers and other stakeholders.



The full Canada Beef Results Report can be found here: <https://canadabeef.ca/stakeholder/>

# Research

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.

## Total investment: \$4,709,338

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. 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 Cattle Association, BCRC is directed by a **committee of 16 beef producers** from across the country, and is funded in part, by the Canadian Beef Cattle Check-Off. In 2022/23, BCRC received on average \$0.67 (unaudited) 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 with Agriculture and Agri-Food Canada's Canadian Agricultural Partnership funding, through which industry contributed 28% (\$666,494) and AAFC contributed 72% (\$1.67 million) in 2022/23. In addition, BCRC leveraged the Canadian Beef Cattle Check-Off for an additional \$3.7 million in research funding and \$250,000 in-kind from government and industry partners through initiatives outside of the Beef Science Cluster.

Last year there were 15 research, extension and science coordination Cluster projects reporting activities between April 1, 2022 and March 31, 2023. The final year of the five-year Cluster III program has now been completed. One project assessed the prevalence and production impacts of a wide variety of health issues and management practices on commercial operations across Canada. Results from



another project confirmed that heat-based carcass and equipment cleaning practices in abattoirs have not selected for heat-resistant *E. coli* and that current cooking recommendations are still appropriate. Another project demonstrated that conventional feedlot diet (containing growth promotants) had the lowest environmental impact and that removing growth promotants would result in increased land and water use, greenhouse gas emissions and ammonia emissions. A fourth project worked on breeding alfalfa for winter hardiness and reduced fall dormancy, key traits for withstanding Canadian winters.

In 2022/23, BCRC received 38 letters of intent from research teams across Canada. Of these, 20 teams were invited to submit full proposals, 18 forwarded a proposal and funding was approved for 13 projects in March 2023. Successful applicants are required to secure 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 – 2021) are still underway or nearing completion. One such project studied the impact of rest-stops during **long-haul transportation on the incidence of bovine respiratory disease (BRD)**. Results indicate that rest-stops might contribute to increased health and welfare risks instead of alleviating the concern. Another project found that beef's high nutrient density, particularly for vital nutrients that are most often inadequate in Canadian diets (iron, vitamin B12 and zinc), makes it an affordable source of all these nutrients for consumers. A project looking at the economic impact of the Canadian Cattle Industry found that for every worker employed in the sector, another 3.9 workers (based on indirect and induced impacts) are employed elsewhere in the economy. Another project found that converting perennial forages to annual crops results in decreases to soil organic carbon levels, highlighting the importance of having beef cattle on the landscape to conserve tame and native pasture land, maintaining soil organic carbon stocks and mitigating GHG emissions.

## KEY NUMBERS

 **\$250,000**

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

 **15**

research, extension and science coordination Cluster projects

 **13**

research projects approved for funding by the BCRC



Funding was approved for five Proof of Concept (POC) projects in 2022/23. 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 found that bacteria associated with BRD accumulate in feedlot water bowls, potentially providing a simpler way to evaluate pen-level antimicrobial resistance in BRD pathogens. Another project looked at a new vaccine that can be delivered like an eyedrop and may be a safe and more effective way to protect beef calves against pink-eye.

BCRC continued to support the implementation of long-term research capacity in 2022/23.

**Three Chairs are currently supported under this program** to address industry identified gaps in research capacity: Dr. Bree Kelln, Beef Industry Integrated Forage Management and Utilization Chair (University of Saskatchewan); Dr. Cheryl Waldner, NSERC/BCRC Industrial Research Chair in One Health and Production-Limiting Diseases (Western

College of Veterinary Medicine); and Dr. Gleise da Silva, BCRC-Hays Chair in Beef Production Systems (University of Alberta).

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 **web-based interactive tool** was created in 2022/23 to help veterinarians and beef cattle producers compare the relative costs and benefits of different Johne's disease management options. Another project included the development of a series of podcasts focused on beef cattle animal health and nutrition with topics ranging from feed testing to vaccinations, extended grazing systems, calving and calf management, disease investigations and economics. In 2022/23, the Canadian Beef Technology Transfer

## KEY NUMBERS



5

Proof of Concept projects approved for funding



150 individuals

The Canadian Beef Technology Transfer Network membership



\$0.67

of every \$2.50 of the Check-Off was received by the BCRC



Network grew to a membership of more than 150 individuals, many of whom participate in an annual meeting to further facilitate communication and collaboration.

BCRC also continued to support priority surveillance networks related to production limiting diseases and antimicrobial resistance and use. In 2022/23, funding continued for three surveillance projects as well as the Canadian Cow-Calf Cost of Production Network.

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. Certification services under VBP+ Inc. saw a decline in applications for certification and increased withdrawal during

the audit cycle in 2022/23. While a portion of the decline can be attributed to drought conditions across Western Canada and producers exiting the industry at the cow/calf level, much of the feedback received indicated an increase in producer apathy due to lack of anticipated return on investment. VBP+ and VBP+ Inc. advocated strongly and provided background data throughout the latter part of 2022 and early part of 2023 towards re-thinking incentivization models, particularly at the cow/calf level. The introduction of new incentives linked to the Canadian Roundtable for Sustainable Beef Framework and new provincial incentives through the Sustainable Canadian Agriculture Partnerships in Saskatchewan have contributed to a slightly renewed producer interest in certification and reduced withdrawals from the program.



The full BCRC Results Report can be found here: <https://www.beefresearch.ca/about/reports/>



**BCRC continued to support the implementation of long-term research capacity in 2022/23.”**



# Public and Stakeholder Engagement

The 2022 – 23 fiscal year marked the fourth year of full funding for the Public and Stakeholder Engagement (PSE) program.

## Total investment: \$995,680

National issues management and proactive content that highlight the benefits of raising beef cattle in Canada remained the core focus of the program, along with building tools, resources and training for beef industry advocacy and developing strategic partnerships. Combined, these tactics are designed to enhance the public image of beef farmers and ranchers and emphasize the positive societal benefits of beef.

Leadership on public trust issue response was implemented on both regional and national issues. Communications materials aimed at children which encourage the reduction of red meat consumption were responded to in collaboration with provincial beef and dairy associations, providing information on the environmental benefits of raising beef cattle in Canada. A CBC radio story on antibiotic use in cattle contributing to antimicrobial resistance was challenged together with research expert Dr. Tim McAllister. PSE also partnered with Dr. Kim Stanford to write **an editorial in**

**response** to research published by the organization World Animal Protection, highlighting the fact that Canada could actually see more emissions with the reduction of red meat consumption.

Methane continues to be a key area of criticism for the beef industry, with the reduction of this potent greenhouse gas being positioned as a quick solution to mitigate climate change. The federal government published Canada's Methane Strategy in September 2022 and identified ruminants (largely beef cattle) as the third largest source of methane. That same week the team created **a short video with leading expert** Dr. Karen Beauchemin of Agriculture and Agri-Food Canada (now recently retired) highlighting how the cycle of biogenic methane differs from carbon dioxide.

The PSE team worked with Dr. Sylvain Charlebois, a widely consulted voice on food industry issues, to highlight the reasons why ground beef should continue to be foundational for Canadians as a healthy, single-ingredient



food. The top 10 articles that Dr. Charlebois wrote or was interviewed on regarding the topic reached over 30 million engagements in Canada.

Building tools, resources, and training to enable industry advocates is a key objective in building consumer confidence in beef. Factsheets were updated, translated to French and distributed to internal stakeholders at the end of the business year. Key messages continue to be created and shared on a variety of topics to prepare spokespersons nationally and regionally. The **Beef Advocacy Canada** program continues to see new registrants and graduates and was promoted to producers in the beginning of the year through a print and email campaign with Canadian Cattlemen's Magazine.

The continued support of the Environmental Stewardship Award (TESA) included media training for all regional nominees prior to the national recipient announcement. This was followed by a media event where the nominees highlighted their sustainability efforts on farm

and took questions, designed to amplify the public recognition of this program. As well, media training was offered to 16 industry spokespersons, including primary producers, researchers, and veterinarians to ensure there are prepared subject matter experts in all areas. The PSE staff also participated in team building and communications training that highlighted the strengths of personality types and increasing synergies.

National and global partnerships are vital for collaboration on public trust issues and consumer communications. PSE's continued support of the Canadian Centre for Food Integrity allows access to annual public trust research on the food system and partnership on public facing communications projects like "It's Good Canada." The year 2022 was the second of a partnership with the Global Meat Alliance, which works to facilitate information sharing and collaboration internationally especially around events like COP and the UN Food Systems Summit. As well, PSE Manager

## KEY NUMBERS

 **16 individuals** offered media training through the Environmental Stewardship Award

 **30 million** engagements on the top 10 articles featuring Dr. Sylvain Charlebois on ground beef being a foundational single-ingredient food





## KEY NUMBERS



**150,000**

views of the documentary  
'Too Close to Home' across  
Facebook and Youtube channels



**2.2 million**

impressions from the 'Get Both  
Sides' digital ad campaign



**5 influencers**

visiting 6 farms and ranches  
across Canada for the 'Good for  
You, Great for Canada' campaign

Amie Peck continued to chair the Communications Council at the Global Roundtable for Sustainable Beef.

Public outreach, including multifaceted communications campaigns, were carried out throughout the year to highlight the positive benefits of raising beef cattle in Canada.

**Too Close to Home, the second documentary from the PSE program,** highlighted the role of cattle in mitigating wildfire danger to communities in British Columbia. The launch event in April featured panelists from research, government, and primary production and the film has thus far garnered over 150,000 views across Facebook and YouTube. Earned media coverage included notable environmental publications like **The Narwhal** and **the Tyee**, along with the National Observer, Eat North and more.

In April, the PSE team launched a six-week campaign called Get Both Sides, which featured the tagline, "Love Beef? And the Environment?" The digital ads ran on websites targeting our must-win audience of millennial women and were geotargeted for our priority areas of Ontario and

British Columbia. With more than 2.2 million impressions and 3,300 clicks to the website, which highlights the proactive communications projects from PSE including Too Close to Home and Guardians of the Grasslands, the campaign was a great success.

PSE also partnered with Canada Beef and the Canadian Roundtable for Sustainable Beef (CRSB) on another iteration of **Cooking By Degrees** with the Toronto Star. Featuring recipes from university and college chefs, along with a profile on a local beef producer, these articles had great print and digital reach. It was also advantageous that all recipes highlighted the versatility of ground beef, as the campaign ran simultaneously to the industry focus on the nutritional benefits of ground beef with the Canadian public. The PSE team was especially pleased to have Cooking By Degrees recognized as the **Best Public Campaign at the Canadian Agri-Marketing Awards** in November, 2022, validating the work of all national organizations joining together on communications.



“

**Public outreach, including multifaceted communications campaigns, were carried out throughout the year to highlight the positive benefits of raising beef cattle in Canada.”**

In the summer of 2022, PSE continued the collaboration with Canada Beef on a national influencer campaign to highlight the environmental benefits of raising beef cattle in Canada. Called **“Good for You, Great for Canada,”** the campaign saw five different influencers visiting six farms and ranches across Canada. The videos highlight wildfire prevention, native grasslands, rotational grazing, ecosystem restoration and wildlife habitat, and garnered over 70,000 views on Instagram and 659,000 views on YouTube. The PSE program also launched their own **Instagram** and **TikTok** channels in mid-summer, aimed at building public trust in the way beef cattle are raised, attracting more than 2,000 followers in the first few months.

Finally, the Guardians of the Grasslands documentary and related messaging continued to find new audiences and increase recognition

of the environmental contributions of the beef industry. This past fall, the film was screened at both COP27 (climate change focused) and COP15 (biodiversity focused) in Egypt and Montreal. **Grasslands have also been highlighted** extensively in the federal government’s Nature Based Solutions campaign, including how beef farmers and ranchers are vital to their preservation.

Another first for the program, the **Guardians of the Grasslands Game** was launched into Alberta classrooms in February of 2023. The game allows students to manage a parcel of native grasslands with cattle, earning carbon points and wildlife species, and learning how habitat is improved and maintained with grazing. As of March 2023, the game had already been played over 500 times and will expand this resource to most provinces across Canada.



The full Public and Stakeholder Engagement Results Report can be found here: <https://www.cattle.ca/about-us/annual-reports>

## Provincial Investment

**\$2,182,165**  
**Total Provincial  
Investment**

Provincial allocation programs are currently delivered by seven provincial cattle associations that 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, beef products and veal, or conduct and promote research activities related to those products. Contact the provincial cattle association directly for more detailed project information.



# Manitoba Beef Producers

**\$90,636**

Total Provincial Investment



The Manitoba Beef Producers (MBP) undertook production-related research activities that invest check-off dollars directly into producer-focused research, and one public trust promotion and awareness program to close the gap between the public and beef production.

## 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, and the pathogens they can carry. This project aimed to grow knowledge of the relationship between different types of pastures, and the exposure of livestock and workers to two species of ticks. Currently, researchers have met their data collection goals and are analyzing the research. A peer-review journal article is expected before the end of 2023, and results will be disseminated from academia to the farm gate. MBP will contribute \$15,000 per year for three years, with 2022/23 being the last.

## Cattle: A Natural Systems Solution

Generating science-based information regarding the role of cattle as a natural solution to climate change and sharing it with consumers is essential, as many are unaware of the implications of their food choices on food system environmental sustainability, as well as future food security. The goal of the MBP Systems Solution project was to demonstrate the value of livestock as a natural systems solution, and all main objectives were met. Environmental benefits of potatoes displacing an equivalent quantity of grains were mainly through arable land saving and avoiding potential landfill emissions. While GHG emissions were reduced with the inclusion of potatoes, mainly through emission reduction from upstream inputs and on-farm grain cropping activities, regional differences and methodological choices affect the magnitude. In addition, modeling non-conventional feeds could serve as a first step in addressing the growing interest in alternative feeds for beef cattle in Canada and beyond as an adaptation

strategy to climate change. The Manitoba feed library provides valuable information regarding by-product availability in Manitoba. Combined with the food waste calculator app, a producer can identify and calculate the economic viability associated with the use of by-products compared to traditional feed ingredients. This information is invaluable to the beef sector as they strive to meet ambitious goals to reduce GHG emissions by 30% by 2030.

## Livestock Predation Pilot Project

A MBP provincial investment program continues to explore predation in a three-year pilot project to reduce livestock and economic loss from wildlife predation. This project is targeted in areas of the province where livestock predation issues are most pressing and costly or are emerging. In addition, the project is designed to improve prevention and mitigation strategies for livestock losses caused by predation, with the goal of reducing livestock losses due to predation (including livestock deaths, injuries to livestock and the associated economic and opportunity costs), as well as reducing





**“ Extension events and engagement with producers is a key measurement from the MBFI program and in this last fiscal year, MBFI engaged with over 5,000 industry stakeholders and students.”**

Manitoba's exposure to future liability for payments under the Manitoba Wildlife Damage Compensation Program. Last year, more than 100 risk mitigation projects were implemented with 46 producers participating. The project also installed deadstock and predator resistant pens for study, fox lights, livestock GPS projects, and a range of communication materials were developed. A total of 99% of the participating producers surveyed responded to a review of the outcomes of their participation, and responses will be included in the final project report.

### **Manitoba Beef and Forage Initiatives**

As part of a Manitoba strategy to engage the research community, some funding provided by the provincial investment portion of the national beef check-off goes towards supporting

the Manitoba Beef and Forage Initiative (MBFI) programs with national beef industry value. Extension events and engagement with producers is a key measurement from the MBFI program and in this last fiscal year, MBFI engaged with over 5,000 industry stakeholders and students. They have done this engagement through in person and virtual workshops, field tours, training events, tradeshow, and conferences. As well, they completed multiple articles in various publications and produced a monthly podcast.

### **Public Trust Activities**

MBP's public trust programs are aimed at driving stronger engagement with the public. The organization is almost ready to reveal their newly refreshed space at the Bruce D. Campbell Farm and Food Discovery Centre, 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. Once installation is complete in early June, the space will provide more information about the interconnectedness of beef production to the environment and will further build upon MBP's goal of enhancing public trust through direct engagement. The Discovery Centre, located 15-minutes south of Winnipeg, features interactive hands-on displays about every aspect of food production, from farming to the marketing, retailing, and eating of food. The Centre also seeks to strengthen networks and partnerships to promote public awareness of the issues of sustainability, security of food and healthy lifestyles.

# Beef Farmers of Ontario



## \$434,881

Total Provincial Investment

### Livestock Research and Innovation Corporation (LRIC)

The Livestock Research and Innovation Corporation (LRIC) helps administer research and innovation calls for proposals and letters of intent for members, including BFO's Research and Investment Strategy. This service provides a more affordable and streamlined way of managing BFO research funding, project management, report evaluations, and dissemination and extension activities. LRIC membership also provides BFO access to the Smart Simple Research System, which coordinates research across livestock sectors in Ontario between industry, government, and the University of Guelph. This provides BFO with access to a fantastic research management tool, as well as access to a database of funded beef research projects and outcomes. The system helps avoid duplication of funding across sectors and promotes cross-collaboration while keeping costs down.

LRIC provides a clear, unified voice and conduit to the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) on research priorities for the province's livestock sectors, which helps inform funding priorities for research programs funded by the province. This is an invaluable service that ensures the beef sector's priorities for research on both a provincial and national basis are communicated regularly to provincial funding bodies.

A major deliverable for 2022 was to increase extension and dissemination of beef research results from all funders in the province, including BFO. Extension and dissemination activities for the beef sector provided by LRIC would not be possible with the absence of BFO membership in the organization.

LRIC, in partnership with BFO, has also committed to getting research into practice (GRIP). The dissemination of research results was strongly linked to the extension and communication of beef research results from the new \$25 million-dollar Ontario Beef Research Centre in Elora. While BFO

had anticipated a stronger number of communications projects stemming from the work conducted, they have explicitly added this goal to the 2023/24 business plan for this project as a priority.

Through LRIC, 37 research proposals were submitted for funding, and 11 letters of intent were received by BFO for research funding. BFO also worked through LRIC with several other beef sector stakeholders to develop research priorities, explore additional research projects, such as using ruminant hides for feedstuffs for monogastric livestock, and partnered with industry stakeholders to provide over \$75,000 in award funds for cross-sector research projects.

BFO ensured that results of the research conducted through LRIC were well communicated to stakeholders. This included numerous online and print articles, white papers, and a set of five Horizon Series webinars, focusing on various aspects of livestock production in Ontario.



## Sustainable Beef and Forage Science Cluster

BFO invested directly into the Beef Cattle Research Council's (BCRC) Sustainable Beef and Forage Science Cluster.

The Sustainable Beef and Forage Science Cluster is a partnership between Agriculture and Agri-Food Canada (AAFC) and the Beef Cattle Research Council (BCRC) to ensure that proactive and strategic investments in research are allocated to programs that have the greatest potential to move the Canadian beef cattle sector forward. This Cluster builds on the success of the first (2009-2013) and second (2013-2018) Beef Science Clusters. Third Cluster projects will advance the science of past Clusters as well as address current and anticipated threats and opportunities for Canadian beef production. Investments are focused on a portfolio of research that contributes to the industry's ability to meet the growing global demand for high quality, safe beef through responsible and profitable

production practices that support a sustainable future for the Canadian beef cattle industry.

More details on this project can be found in the BCRC annual report.

## Ontario Beef Promotion and Consumer Engagement

Funds returned from Canadian Beef Check-Off Agency helped support BFO's investment in consumer engagement and beef promotion programming and activities. This is an ongoing strategic priority that BFO invests in annually.

The program focuses on activities and initiatives that engage directly with consumers to generate buzz around Ontario's beef industry, increase awareness of the benefits of beef, increase beef demand, and generate trust in beef production and consumption.

Through the initiatives, BFO was able to generate 152 pieces of media coverage focused on beef and the environment, reaching over 4.4 million people. Part of the media success

included an op-ed on a story that was picked up by the Financial Post and its 87 syndicates, including the print edition of the National Post, which garnered over 15 million impressions.

The BFO influencer campaign focused on beef and the environment and showcased three influencers generating content to share with over 4.4 million followers during and after a beef farm tour focusing on land stewardship.

The two 15-second videos BFO created focused on creating delicious, nutritious beef meals at home in Ontario that ran for five weeks in the fall, and generated over nine million impressions on YouTube, AppleTV, Roku and Amazon Fire. The videos were aimed at adults aged 25-44 and ran during high profile TV programs and streaming shows.

In total, funds invested from the Canadian Beef Cattle Check-Off provincial investment accounted for 63% of the total investment in the consumer engagement area, and the collective activities generated over 80 million impressions.



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



## Veal Farmers of Ontario



**\$148,861**

Total Provincial Investment

The overall goal of the annual Ontario Veal Appeal consumer campaign is 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 executed several consumer marketing programs to help drive demand for Ontario veal. The programs sought to find a balance between encouraging consumers to order veal at their favourite restaurant and being comfortable cooking with veal at home.

VFO was able to bring back the search for Ontario's Best Veal Sandwich after a delay due to COVID-19. The contest was held in a tournament-style format and the finale took

place in Toronto at the historic St. Lawrence Farmer's Market in June 2022.

The organization also met strategic goals by working with BBQ guru Chef Ted Reader to develop new veal recipes for the barbecue. The summer months are a lower demand period and VFO continued to inspire consumers to put veal on the grill to help drive demand during this slower sales period. As well, VFO worked with Chef Reader to host an online contest with consumers to encourage them to share photos and videos of their veal on the barbecue.

VFO was also able to leverage additional funds from OMAFRA's Grassroots Growth Initiative funding to develop a campaign focused on highlighting the many different holidays celebrated by Ontarians, especially

post-pandemic. The Celebrating Together Again campaign worked with social media influencers and food bloggers to develop new recipes based on their ethnic backgrounds and cultures. The integrated campaign featured digital, print, and broadcast media channels. The idea behind the campaign was that a special meal deserves a special cut of Ontario veal.

“

**VFO executed several consumer marketing programs to help drive demand for Ontario veal.”**



# Les Producteurs de bovins du Québec

Les Producteurs  
de bovins du  
Québec



## \$1,401,056

Total Provincial Investment

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, including new live virtual setups and the enhancement of other communication channels.

The association sought to strengthen relationships between producers and beef buyers for processing facilities, as the desire for purchasing of animals from the same operation grew. PBQ has worked towards hosting events where buyers can meet local producers, and will continue to support connecting processors with local beef.

### Fed Cattle Programs

To help support price premiums and consumer trust, a resolution was passed at PBQ that will mandate VBP+ certification for all fed cattle operations. This will also help create consistency within the sector, in order to adapt to changing market signals and promote the sustainability

of Quebec beef production. The mandatory certification goes into effect in January 2025.

The fed cattle sector also undertook an assessment of Holstein beef-cross production and the value it brings to the Quebec beef industry. The research is currently being evaluated and will help producers understand the opportunities that may lie in beef on dairy breeding, as well as developing experts in Holstein beef production.

“

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





## 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.

The veal sector hosted regular educational sessions through webinars and training days on various topics like risk management, market uncertainty, feed purchasing, and bio-security training. These educational opportunities help to enable veal producers to make informed decisions about their operations, and help them operate profitably, safely, and efficiently.

The sector has also spent a significant amount of time developing an innovative commercial

scale veal carcass grading system. This will provide a measure of lean or sellable meat (yield) in veal carcasses, and be beneficial when assigning commercial value, and sorting carcasses. Researchers from both Quebec and Alberta collaborated with PBQ to recommend a grading ruler, which will provide a proven and effective method that is already in practice in the beef industry.

Another significant project in the veal sector was the development of the Canadian On-Farm Food Safety Program for Veal, or the Verified Veal Program, which was designed to give farmers a way to meet consumer demands that their food is produced safely. The program continues to provide measurable safeguards for consumers to feel good about the veal that they consume.

## Cull Cattle and Bob Calf Programs

Over the past year, the cull cattle sector engaged in a strategic thinking exercise on developing markets for cull cattle. The sector enlisted the help of a strategic marketing consulting firm that specializes in the Quebec agri-food sector. The goal of the initiative was to determine a strategy that would effectively address marketing related issues such as promoting beef from Quebec cull cattle, promoting local cattle producers and their contribution to Quebec, generating a common communications strategy, achieving price and demand stability in cull cattle, improving negotiations with potential partners and distributors, and replacing imported beef in the Quebec market.

# New Brunswick Cattle Producers



## \$40,185

Total Provincial Investment

### Advanced Genetic Enhancement

The New Brunswick Cattle Producers (NBCP) continued investing in the improvement of beef herds in New Brunswick through genetic advancement. The enhanced genetic potential of the beef herd reduces feed input costs, reduces greenhouse gas emissions, and maximizes carcass yield and profitability, which will enhance the competitiveness of beef in the protein marketplace. The project included a comprehensive communications and outreach plan, developed and deployed in

partnership with the Maritime Beef Council, for the New Brunswick beef sector. In total there were 101 genetic enhancement applications and 76 herd renewal applications approved for implementation.

### Emergency Management Planning

NBCP also worked with livestock and industry stakeholders in New Brunswick to develop an emergency management action plan, and trained stakeholders for deployment as needed. Preparing for effective industry management in

the advent of a foreign animal disease outbreak ensures that the provincial beef sector can contribute effectively to crisis management, limiting negative impacts for the Canadian beef sector in its entirety. All livestock sectors met together to test the action plan, and the associations agreed that the plans could be well executed in the event of an emergency.

### Forage Crop Insurance Exploration

NBCP began exploring options for deploying a forage yield monitoring network to collect

“

**The New Brunswick Cattle Producers (NBCP) continued investing in the improvement of beef herds in New Brunswick through genetic advancement.”**





annual data across various regions of the province to support a forage yield index that could inform the development of a forage insurance program in the future. Currently, New Brunswick is the only province without a forage yield insurance program, putting producers at a significant disadvantage to growers in other provinces who can cover weather related forage production losses. This project is ongoing.

### **Pasture Management Planning**

Enhancing pasture management systems and extending the grazing season was the goal for

NBCP's investment into pasture management planning. By promoting the advanced pasture management systems deployed by provincial and national agriculture groups, NBCP can increase profitability in the cow-calf and stocker sectors. Seven pasture management programs were approved this year.

### **Price Risk Insurance**

NBCP supported promotion and training for the advance cattle price insurance risk management program in the province. The support and adoption of this program

aids industry growth over the long term. Last year, over 70 focus group participants had their voices heard on the subject at six venues across the province. This project was run in collaboration with the Maritime Beef Council.

*Additional support was provided to the Maritime Beef Council – Combined Maritime Initiatives below.*

# Nova Scotia Cattle Producers



**\$43,485**

Total Provincial Investment

## Genetic Marketing Program

A cornerstone of the Maritime Beef Industry Development and Expansion Strategy is to improve genetic evaluations and herd performance, and Nova Scotia is home to the only public genetic evaluation station in Atlantic Canada. Each year more than 100 bulls from across the region are tested for performance traits such as average daily gain (ADG) and Residual Feed Intake (RFI). This project is designed to encourage breeders to have bulls evaluated and improve awareness and purchase of bull selection based on genetic performance measures. The beef industry benefits through the growth of the Maritime beef sector, and increased producer productivity and knowledge. This year 22 producers participated in the Elite Sire program.

## Soil and Forage Monitoring and Improvement

Forage and soil management and improvement are an important piece of beef production

across Canada, and NSCP is investing in strategies to focus on these areas. NSCP worked closely with researchers and extension specialists to collect and analyze data related to the project goals. There were 24 producers participating with 152 soil tests analyzed across the province. This monitoring and improvement program is ongoing.

## Nutrition Engagement

NSCP worked with a registered dietician to engage working professionals, teachers, and consumers to conduct small, focused information sessions and demonstrations. The goal of this project was to engage beef producers and consumers in the benefits of including beef in a healthy diet. In the second part of the project, the dietician held workshops and demonstrations at producer meetings to demonstrate healthy eating plans for farmers during busy farming periods. The association held four engagement sessions and continued to develop resources to share with other provincial cattle associations.

## Preconditioning Pilot

NSCP continued to invest in an On-Farm Cattle Precondition Pilot Project to improve cattle herd health in the province through increasing the quantity and quality of vaccinated brood cows and pre-conditioned feeder calves. The project was broken into several initiatives, including communication and education, on-farm training, introducing novel preconditioning services, developing an on-farm cattle processing team, and conducting a break-even analysis for service delivery. This year, the project processed 658 head on 16 farms across five of the six designated zones in the province. A retrofitting was also done to the mobile chute for improved highway transportation.

*Additional support was provided to the Maritime Beef Council – Combined Maritime Initiatives below.*

“

**The beef industry benefits through the growth of the Maritime beef sector, and increased producer productivity and knowledge.”**



# Prince Edward Island Cattle Producers



## \$23,061

Total Provincial Investment

### Marketing and Promotion

In 2022/23, the PEI Cattle Producers (PEICP) had planned to highlight island beef through three events: Beef 'n' Blues, Beef 'n' Brews and the Meat 'n' Badaydas event. Unfortunately, all three events did not take place for various reasons, however the investments were rolled into positive marketing activities to promote local island beef.

A suite of radio ads were developed in partnership with Atlantic Beef Products and ran through the holiday season on the island. The organization also did a complete renovation of their website [peicattleproducers.com](http://peicattleproducers.com) to help create a stronger link between the association and its producers, and to start developing a stronger organizational brand.

*Additional support was provided to the Maritime Beef Council – Combined Maritime Initiatives below.*

“

**The organization also did a complete renovation of their website [peicattleproducers.com](http://peicattleproducers.com) to help create a stronger link between the association and its producers, and to start developing a stronger organizational brand.”**





## Maritime Beef Council – Combined Maritime Initiatives

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) has 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' provincial investment allocations listed above.

### Maritime Beef Strategy Implementation

The Maritime Beef Sector Development and Expansion strategy was developed to support the growth of the Maritime beef industry. In 2022/23, MBC delivered on activities under this program, including the following.

### Increasing Professionalism in the Atlantic Beef Industry

MBC aims to increase the level of professionalism in Atlantic beef producers through training, education, and leadership 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 beef school has been designed as an 8-module cow/calf program plus 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 can change or adjust content at their discretion. This year, in a mix of in person and online, a total of 32 attendees took part in the sessions. Feedback from attendees was overwhelmingly supportive of the program's content. An additional module was piloted in 2022/23, focusing on leadership and advocacy. General feedback was positive, and development of a full module may help encourage producer participation at provincial and national board levels.

The Maritime Beef Conference was held in person again in Moncton, NB. The conference saw 82 attendees take part in sessions that were focused mostly on production practices like grass and grazing management, carbon sequestration, and the national cost of production network. Survey results from attendees showed strong positive feedback.

“

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



## 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 developed several risk tools in collaboration with AAFC this past year. With the tools built, Atlantic provinces will be ready to deploy all resources as soon as possible. There will be strong communication opportunities to engage stakeholders as this program and resources are rolled out.

## Maximize Utilization of Pasture and Forage

With somewhat of a return to normalcy, comes the return of in-person events such as the Atlantic Forage Field Day. The event was held in person at the Agriculture and Agri-Food Canada (AAFC) Research Farm in Nappan for the first time since 2019 and saw a great turnout of 113

individuals from all sectors of the agriculture industry. The field day held sessions on grazing cell design, common maritime grazing challenges, rotational grazing, and the On-Farm Climate Action Fund (OFCAF), which will help producers implement grazing and forage management programs on their operation. Extremely positive reviews of the field day have supported plans to continue the event in the future.

## Beef Value Chain Coordination

Again this year, 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 were developed and had positive uptake from stakeholders. Feeder clubs in PEI and Nova Scotia also brought beneficial results for producers in those provinces, although it was recognized that there is a lot of work to be done in data management to ensure results can be analyzed.

A continued focus on the Verified Beef Production Plus program has helped MBC engage and educate more producers in the

Maritimes. Simply Verified Beef, a podcast hosted by VBP Coordinators from the Maritimes and British Columbia, has continued to reach more listeners this past year. The season two podcast had nearly 600 plays on all episodes, with the most listened to episode focusing on knowledge and tech transfer, and producer resources. The Atlantic Canada listenership grew by 2% last year, to a total of 15% of all listeners. MBC also worked to develop a suite of VBP+ producer profiles to help engage others to get certified as well.

Maritime cattle producers had done a fantastic job signing up for the allotted spaces in the national Cow-Calf Cost of Production Network in the first two years, and this past year the data from those two years was analyzed by CanFax. The model selected allows for benchmarking between similar production systems in different countries, and the analysis allows producers in the Maritimes to make production decisions that are good for their operations. MBC plans to continue communicating the results of the analysis in the next year, and beyond that will continue to commit to data collection and analysis into 2028.



**Canadian Beef Cattle Research, Market Development and Promotion Agency**  
**Non-Consolidated Financial Statements**  
*March 31, 2023*

## 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, 2023, 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, 2023, 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.

### 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 23, 2023

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, sans-serif 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, 2023*

	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash (Note 3)	8,425,455	9,270,774
Internally restricted cash (Note 12)	3,364,959	3,360,165
Accounts receivable (Note 4)	4,012,861	5,001,314
Prepaid expenses and deposits	123,280	550,810
Due from related party (Note 8)	1,129,999	671,812
	<b>17,056,554</b>	18,854,875
<b>Capital assets (Note 5)</b>	<b>1,224,057</b>	462,370
<b>Investments (Note 8)</b>	<b>100</b>	100
	<b>18,280,711</b>	19,317,345
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 6)	2,656,195	3,630,555
Due to related party (Note 8)	1,373,309	897,769
Deferred revenue (Note 7)	19,844	302,304
	<b>4,049,348</b>	4,830,628
<b>Deferred capital contributions (Note 9)</b>	<b>-</b>	203,657
	<b>4,049,348</b>	5,034,285
<b>Contingencies (Note 13)</b>		
<b>Commitments (Note 10)</b>		
<b>Functional information (Note 16)</b>		
<b>Net Assets</b>		
Unrestricted	8,914,608	8,971,099
Internally restricted (Note 12)	4,364,959	4,360,165
Consolidation reserve (Note 12)	951,796	951,796
	<b>14,231,363</b>	14,283,060
	<b>18,280,711</b>	19,317,345

## Canadian Beef Cattle Research, Market Development and Promotion Agency

### Statement of Non-Consolidated Operations

*For the year ended March 31, 2023*

	2023	2022
<b>Revenues</b>		
<b>Canadian Beef Check-off Agency:</b>		
Domestic beef check-off (Note 14)	19,586,511	20,283,325
Import levies	1,185,219	1,065,059
Other income	274,262	73,864
	<b>21,045,992</b>	<b>21,422,248</b>
<b>Marketing:</b>		
Government of Canada - Canadian Agriculture Partnership	1,714,665	1,893,871
Amortization of deferred capital contributions (Note 9)	203,657	106,256
Government of Alberta	275,577	120,875
	<b>2,193,899</b>	<b>2,121,002</b>
<b>Total revenue</b>	<b>23,239,891</b>	<b>23,543,250</b>
<b>Expenses</b>		
<b>Canadian Beef Check-off Agency:</b>		
Marketing Committee	28,348	8,300
Board of Directors	168,758	64,613
Canadian Beef Check-off Agency operations	643,420	610,840
	<b>840,526</b>	<b>683,753</b>
<b>Programs:</b>		
Public Stakeholder and Engagement	1,082,464	893,596
Marketing - Generic Beef (Note 15)	1,370,223	1,162,522
Marketing - Branded (Note 15)	11,819,948	11,522,217
Research	4,709,338	4,862,827
Provincial investment (Note 14)	2,182,165	2,142,218
Provincial portion of the Federal Levy	1,286,924	1,407,697
	<b>22,451,062</b>	<b>21,991,077</b>
<b>Total expenses</b>	<b>23,291,588</b>	<b>22,674,830</b>
<b>(Deficiency) excess of revenue over expenses</b>	<b>(51,697)</b>	<b>868,420</b>

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

*For the year ended March 31, 2023*

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Consolidation Reserve</i>	<b>2023</b>	<i>2022</i>
<b>Net assets, beginning of year</b>	<b>8,971,099</b>	<b>4,360,165</b>	<b>951,796</b>	<b>14,283,060</b>	13,414,640
<b>(Deficiency) excess of revenue over expenses</b>	<b>(56,491)</b>	<b>4,794</b>	<b>-</b>	<b>(51,697)</b>	868,420
<b>Net assets, end of year</b>	<b>8,914,608</b>	<b>4,364,959</b>	<b>951,796</b>	<b>14,231,363</b>	14,283,060

## Canadian Beef Cattle Research, Market Development and Promotion Agency

### Statement of Non-Consolidated Cash Flows

*For the year ended March 31, 2023*

	2023	2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
(Deficiency) excess of revenue over expenses	(51,697)	868,420
Non-cash recognition of deferred capital contributions	(203,657)	(106,256)
Amortization	219,438	165,358
Loss on disposal of capital assets (Note 5)	318,858	-
	<b>282,942</b>	927,522
Changes in working capital accounts		
Accounts receivable	988,453	(512,901)
Prepaid expenses and deposits	427,530	(458,979)
Accounts payable and accruals	(974,360)	647,223
Deferred revenue	(282,460)	53,577
Due from related party	(458,187)	(339,947)
Due to related party	475,540	322,828
	<b>459,458</b>	639,323
<b>Investing</b>		
Purchase of capital assets	(1,325,392)	(105,121)
Proceeds on disposal of capital assets (Note 5)	25,409	-
	<b>(1,299,983)</b>	(105,121)
<b>(Increase) decrease in cash resources</b>	<b>(840,525)</b>	534,202
<b>Cash resources, beginning of year</b>	<b>12,630,939</b>	12,096,737
<b>Cash resources, end of year</b>	<b>11,790,414</b>	12,630,939
<b>Cash resources are composed of:</b>		
Unrestricted cash	8,425,455	9,270,774
Internally restricted cash (Note 12)	3,364,959	3,360,165
	<b>11,790,414</b>	12,630,939

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 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, 2023, 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, 2023, 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, 2023.

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

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 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.

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

#### 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.

During the year, the Agency began collecting Pork Import Levies on behalf of the Canadian Pork Promotion-Research Agency. The Agency recognizes administrative recovery fee as revenue. Any levies due to the Agency or due to the Canadian Pork Promotion-Research Agency are recognized in accounts receivable and accounts payable, respectively, but not included in revenue and expenses of the Agency.

#### 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.

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 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.

#### **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.

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 2. Significant accounting policies (Continued from previous page)

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.

#### 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

	2023	2022
Check-Off	2,900,923	3,617,059
Import levies	182,673	168,178
Loan to New Brunswick Cattle Producers	15,150	23,180
Other	10,135	15,449
Government of Canada - Canadian Agriculture Partnership	903,980	1,177,448
	<b>4,012,861</b>	<b>5,001,314</b>

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 5. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2023 Net book value</b>	<b>2022 Net book value</b>
Computer equipment	9,486	6,115	3,371	2,230
Computer software	146,894	109,143	37,751	21,395
Furniture and fixtures	184,152	177,825	6,327	10,231
Leasehold improvements	918,745	120,366	798,379	419,817
Office equipment	478,729	103,500	375,229	6,997
Kitchen equipment and appliances	77,913	76,129	1,784	1,700
Website and logo	47,122	45,906	1,216	-
	<b>1,863,041</b>	<b>638,984</b>	<b>1,224,057</b>	<b>462,370</b>

Amortization of \$219,438 (2022 - \$165,358) is included in Canadian Beef Check-off Agency operations and marketing program expense captions for the year ended March 31, 2023.

During the year, assets were disposed of for \$25,409 (2022 - \$nil) resulting in a loss of \$318,858 (2022 - \$nil).

### 6. Accounts payable and accrued liabilities

	<b>2023</b>	<b>2022</b>
Check-off transfers	1,157,356	1,488,899
Trade accounts payable	1,141,596	1,560,590
Government remittances	17,652	(111,543)
Accrued liabilities	339,591	692,609
	<b>2,656,195</b>	<b>3,630,555</b>

### 7. Deferred revenue

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

	<b>2023</b>	<b>2022</b>
Balance, beginning of year	302,304	248,727
Amount received during the year	-	174,455
Less: Amount recognized as revenue during the year	(282,460)	(120,878)
Balance, end of year	<b>19,844</b>	<b>302,304</b>

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 8. Related party transactions

#### (a) Canadian Cattle Association:

The Canadian Cattle Association is related by virtue of directors who serve on the Agency's Board of Directors. During the year, the Agency incurred \$5,594 (2022 - \$6,984) for contract services expenses and \$nil (2022 - \$nil) 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, 2023, \$1,129,999 was due from the Institute as a reimbursement (2022 - \$671,812). 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, 2023 are summarized as follows:

	2023	2022
Total assets	1,655,561	1,200,130
Total liabilities	1,132,499	674,312
Total net assets	523,062	525,818
Total liabilities and net assets	1,655,561	1,200,130
Total expenses	2,756	3,025
Deficiency of revenues over expenses	2,756	3,025
Decrease in cash	(22,795)	(9,229)

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 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, 2023, \$1,373,309 (2022 – \$897,769) 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, 2023 are summarized as follows:

Total assets	<b>1,373,314</b>	897,844
Total liabilities	<b>1,376,819</b>	898,593
Total deficit	<b>(3,605)</b>	(849)
Total share capital	<b>100</b>	100
<b>Total liabilities and retained earnings</b>	<b>1,373,314</b>	897,844
<b>Total expenses</b>	<b>(2,756)</b>	(2,840)
<b>Deficiency of revenues over expenses</b>	<b>(2,756)</b>	(2,840)
<b>Decrease in cash</b>	<b>(70)</b>	(25)

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.

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 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. \$203,657 (2022 – \$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:

	2023	2022
Balance, beginning of year	203,657	309,913
Less: Amounts recognized as revenue during the year	(203,657)	(106,256)
	-	203,657

### 10. Commitments

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

2024	233,142
2025	179,648
2026	169,570
2027	114,244
2028	113,180
	809,784

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:

2024	100,292
2025	64,339
2026	54,261
	218,892

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 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, 2023, the following items are denominated in foreign currency:

	2023 CAD	2022 CAD
Cash	46,628	81,242
Accounts receivable	104,856	91,480
Accounts payable	195,519	377,817

#### 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.

### 12. Restrictions on net assets

#### (a) Internally restricted cash and net assets:

During the year ended March 31, 2023, the Board of Directors of the Agency (see note 18) internally restricted cash reserve amounted to \$3,000,000 (2022 – \$3,000,000) for the event of any future wind-down. In addition, \$1,000,000 (2022 – \$1,000,000) is held by Marketing and \$364,959 (2022 – \$360,165) is held by the Agency (see note 18) as restricted net assets, for total restricted net assets of \$4,364,959 (2022 – \$4,360,165).

#### (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 Cattle 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.

### 13. Contingencies

In the normal conduct of operations, there are other pending claims by and against the Agency. These claims are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, the final determination of these claims will not materially affect the Agency's financial position or results of operations.

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 14. 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 Agency administration fee is deducted from the Canadian Beef Cattle Check-Off remitted by the provincial cattlemen's associations, and the import levy.

	2023	2022
<b>Collections</b>		
Cattle Industry Development Council (British Columbia)	764,852	786,209
Alberta Beef Producers	10,367,061	10,614,715
Saskatchewan Cattlemen's Association	3,950,678	4,428,503
Manitoba Cattle Producer's Association	1,594,595	1,569,474
Beef Farmers of Ontario	928,461	883,547
Les Producteurs de bovins du Québec	1,623,296	1,658,190
New Brunswick Cattle Producers	62,297	50,021
Nova Scotia Cattle Producers	65,768	88,719
Prince Edward Island Cattle Producers	71,518	55,842
Ontario Veal	157,985	148,105
<b>Total collections</b>	<b>19,586,511</b>	<b>20,283,325</b>
 Less: Agency administration fee	 (801,816)	 (914,102)
	<b>18,784,695</b>	<b>19,369,223</b>
 <b>Distributions</b>		
Manitoba Cattle Producer's Association	90,636	87,814
Beef Farmers of Ontario	434,881	411,335
Les Producteurs de bovins du Québec	1,401,056	1,445,358
New Brunswick Cattle Producers	40,185	19,630
Nova Scotia Cattle Producers	43,485	23,342
Prince Edward Island Cattle Producers	23,061	16,487
Ontario Veal	148,861	138,252
	<b>2,182,165</b>	<b>2,142,218</b>

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.

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 15. Marketing (Operations & Market Development Programs)

	2023	2022
<b>Market Development - North America</b>		
Canada market development	4,240,080	4,273,950
<b>Market Development - Global Markets</b>		
China	264,246	622,592
Emerging Markets	171,619	205,893
Japan	814,882	737,799
Korea	341,087	149,857
South East Asia	330,314	202,386
Latin America	725,365	373,026
Global Markets	1,316,120	1,728,956
Canadian Beef Centre of Excellence	219,222	396,589
	<b>4,182,855</b>	<b>4,417,098</b>
<b>Total Marketing - Market Development Programs</b>	<b>8,422,935</b>	<b>8,691,048</b>
<b>Operations (Canada)</b>		
Amortization	210,429	150,873
Bank charges and interest	10,007	8,306
Computer maintenance and supplies	55,434	109,088
Consulting, legal and audit	41,134	-
Licenses and subscriptions	22,098	20,159
Office and meeting	81,992	63,976
Recruitment and training	25,431	6,811
Rent and lease payments	314,120	373,964
Salaries and benefits	2,554,490	2,191,779
Sponsorship and donations	206	100
Travel and insurance	147,697	60,826
Utilities	33,254	33,521
Loss on fixed asset disposal	318,858	-
	<b>3,815,150</b>	<b>3,019,403</b>

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

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

	2023	2022
<b>Operations (Foreign)</b>		
Amortization	7,565	13,529
Bank charges and interest	3,030	3,528
Computer maintenance and supplies	11,364	10,511
Consulting, legal and audit	69,506	78,600
Foreign exchange loss	(5,062)	5,116
Licenses and subscriptions	11,306	13,415
Office and meeting	67,051	47,822
Rent and lease payments	171,002	187,188
Salaries and benefits	674,641	689,791
Travel and insurance	5,012	2,395
Utilities	16,485	19,380
Consumption tax recovery	(79,814)	(96,987)
	<b>952,086</b>	<b>974,288</b>
<b>Total Marketing - Operations</b>	<b>4,767,236</b>	<b>3,993,691</b>
<b>Total Marketing - Operations &amp; Market Development Programs</b>	<b>13,190,171</b>	<b>12,684,739</b>
<b>Allocation of funds:</b>		
Marketing - Generic Beef	1,370,223	1,162,522
Marketing - Branded	11,819,948	11,522,217
	<b>13,190,171</b>	<b>12,684,739</b>

## Notes to the Non-Consolidated Financial Statements

*For the year ended March 31, 2023*

---

### 16. 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.

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 16. Functional information (Continued from previous page)

#### Statement of Financial Position

	Marketing	Transfers (i)	Agency	Transfers (i)	2023
<b>Assets</b>					
Current assets:					
Cash	\$ 7,413,543	\$ —	\$ 1,011,912	\$ —	\$ 8,425,455
Internally restricted cash	3,000,000	(3,000,000)	3,364,959	—	3,364,959
Accounts receivable	2,744,291	(1,840,170)	3,127,697	(18,957)	4,012,861
Prepaid expenses and deposits	120,008	—	3,272	—	123,280
Due from related party	1,251,378	(121,379)	—	—	1,129,999
	\$ 14,529,220	(4,961,549)	7,507,840	(18,957)	17,056,554
Capital assets (note 5)	1,220,686	—	3,371	—	1,224,057
Investment (note 2(a))	100	—	—	—	100
	\$ 15,750,006	\$ (4,961,549)	\$ 7,511,211	\$ (18,957)	\$ 18,280,711
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 1,365,960	\$ (18,957)	\$ 3,149,362	\$ (1,840,170)	\$ 2,656,195
Internally restricted cash	—	—	3,000,000	(3,000,000)	—
Due to related party	1,373,309	—	121,379	(121,379)	1,373,309
Deferred revenue	19,844	—	—	—	19,844
	\$ 2,759,113	(18,957)	6,270,741	(4,961,549)	4,049,348
Net assets:					
Unrestricted	8,039,097	—	875,511	—	8,914,608
Internally restricted	4,000,000	—	364,959	—	4,364,959
Consolidation reserve	951,796	—	—	—	951,796
	12,990,893	—	1,240,470	—	14,231,363
	\$ 15,750,006	\$ (18,957)	\$ 7,511,211	\$ (4,961,549)	\$ 18,280,711

(i) Transfers reflect adjustments required to eliminate inter-functional transactions. For description of each functions' responsibilities, refer to previous discussion in note 16 (a) and (b).

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

## Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2023

### 16. Functional information (Continued from previous page)

#### Statement of Operations

	Marketing	Transfers (i)	Agency	Transfers (i)	2023
Revenue:					
Canada Beef Check Off Agency:					
Domestic Beef Check-Off:	\$ —	\$ —	\$ 19,586,511	\$ —	\$ 19,586,511
Transfers from Agency					
Marketing	9,648,412	(9,648,412)	—	—	—
Public and Stakeholder Engagement	248,920	(248,920)	—	—	—
Import levies	1,127,288	(1,127,288)	57,931	1,127,288	1,185,219
Other income	171,592	—	102,670	—	274,262
	11,196,212	(11,024,620)	19,747,112	1,127,288	21,045,992
Government of Canada – CAP	1,714,665	—	—	—	1,714,665
Amortization of DCC	203,657	—	—	—	203,657
Government of Alberta – EMD	275,577	—	—	—	275,577
	2,193,899	—	—	—	2,193,899
	13,390,111	(11,024,620)	19,747,112	1,127,288	23,239,891
Expenses:					
Canada Beef Check Off Agency:					
Marketing Committee	28,348	—	—	—	28,348
Board of Directors	—	—	168,758	—	168,758
Canadian Beef Check-Off Agency Operations	—	—	643,420	—	643,420
	28,348	—	812,178	—	840,526
Programs:					
Public and Stakeholder Engagement	335,704	—	995,680	(248,920)	1,082,464
Transfers to Marketing	—	—	9,648,412	(9,648,412)	—
Marketing—					
Generic Beef	1,370,223	—	—	—	1,370,223
Branded	11,819,948	—	—	—	11,819,948
Research	—	—	4,709,338	—	4,709,338
Provincial investment	—	—	2,182,165	—	2,182,165
Provincial portion of the Federal Levy	—	—	1,286,924	—	1,286,924
	13,525,875	—	18,822,519	(9,897,332)	22,451,062
	13,554,223	—	19,634,697	(9,897,332)	23,291,588
	(\$ 164,112)	\$ (11,024,620)	\$ 112,415	\$ 11,024,620	(\$ 51,697)

(i) Transfers reflect adjustments required to eliminate inter-functional transactions. For description of each functions' responsibilities, refer to previous discussion in note 16 (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

