

CANADIAN BEEF CHECK-OFF AGENCY



2023-2024
ANNUAL REPORT





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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 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 2023/24 annual report from the Agency provides a summary of programs and results of Canadian Beef Cattle Check-Off funded activities between April 1, 2023 and March 31, 2024.

MESSAGE FROM THE CHAIR

It's incredible how much difference a little elbow grease can make.

When I was first elected to the Agency in 2016, I wasn't quite sure what I was walking into. The structure of the Agency was in flux, and over half of the board was brand new, the same as me, along with staff brand new to the Agency. Our mission from our home organizations sounded simple enough: transform the Agency into a fiscally transparent organization that operated separately from those who invested check-off dollars into programming.





JEFF SMITH
CHAIR

It took years of restructuring, building new bylaws from the ground up, recruiting dedicated Agency Members with skills to better the organization, and delivering on all the deliverables the provincial cattle associations had asked for.

But we've arrived. It was a long time coming, but little by little we restructured, tweaked and reformatted what the Agency once looked like into what it is today: a prudent and transparent organization that works on behalf of the Canadian beef industry to deliver value on every dollar invested.

The rebirth of the Agency took time, but it was something that our industry deserved. The change in the last eight years that I have been here took a lot of hard work and grit, but the associations that are represented on our board dug in and took the time to do it right. And here we are.

We are now working to bring Newfoundland into the fold and assist them in the setup of a check-off system in their province and help them develop stable mechanisms and governance to be a sustainable check-off collector, in what we hope to be the near future. We have built a relationship with the Farm Products Council of Canada (FPCC) that has fostered strong trust, enough that our advice in administering a promotion and research agency in Canada is sought by

the Council, and by other commodities exploring the opportunity for themselves.

The Agency has built an inspection and education program that has delivered exceptional results in a very short period. We are now doing contract inspections for beef and veal, and continue to engage in conversations with others who see the incredible value of the Agency's work.

In its first two years, the Agency's youth program has boosted our communication with young producers in Canada, a feat which often proves difficult in our industry. Julie Mortenson, our first Youth Member, is a bright and engaged cattlegirl who has delivered so much value to the Agency. She has helped to foster a stronger relationship with the Canadian Cattle Youth Council and been a key resource in the development of our scholarship program which has reached thousands of youth as the Agency's most shared program online.

We have developed a board training program that ensures that our people are prepared for the challenges that the Agency faces every day. Financial and governance training implemented in the last few years have provided us the tools that we need to do the best job we can for those we represent. Personally, I have always seen strengthened financial literacy as an important tool not only for those on boards like ours, but for those who are facing the real fiscal pressures in the beef industry. That's why this past year we supported Julie, along with her Agency mentor, Chad Ross, in their continued financial learning through the Ranching for Profit course. We are committed to the financial sustainability of our young beef producers, whether it is through continued learning as an Agency member, or through other opportunities like our scholarship.

We encourage our stakeholder organizations to continue to nominate representatives who have experience and skin in the game. Investing nearly \$20 million of producer and importer dollars is a big job – and one that the Agency and our Members don't take lightly. Our members bring experience of being

actively engaged and heavily invested in the future of beef in Canada. It is important that our board represents Canada's forward-thinking beef industry.

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. We encourage all beef industry stakeholders to take a read through their reports and understand how their strategies and tactics are doing such valuable work for each one of us. As an Agency, it is up to us to review all their plans and reports for project eligibility, and that includes the provinces who allocate back to provincial investment initiatives.

The staff at the Agency continue to deliver on all the priorities and strategies that our stakeholders ask of us. They are a dedicated and passionate team, who are committed to prudence and transparency, and work hard to make sure every dollar is accounted for and invested in the best way possible. The team is efficient and continue to develop plans that are not only lean, but often generate revenue in unique ways to offset administration costs for us in the beef industry. For that, I encourage you to thank our small team for all they do.

While this is my last rodeo from the Chair seat, trust that I will continue to be an involved and active member in the beef industry and a passionate advocate for the beef check-off and import levy in Canada. If my tenure on the board, and as Chair, has taught me anything, is that it is imperative to support the investment of industry dollars through research, market development and promotion.

If we can keep working together, and looking forward, just imagine where we could be in another eight or 10 years. This is a bright time for our industry, and I am excited to see where we will go from here.

Yours truly,

JEFF SMITH
CHAIR

MESSAGE FROM THE GENERAL MANAGER

In 2023/24, the Canadian Beef Cattle Check-Off revenue totalled \$18,309,743 on cattle marketed, net of the provincial portion of the federal levy.





MELINDA GERMAN
GENERAL MANAGER

The import levy on beef cattle, beef and beef products imported into Canada was collected at a rate of \$1 per head and weight equivalent on beef, for a total of \$1,269,638. These funds, net administration, are allocated to unbranded, generic beef marketing such as nutrition marketing, recipe development and culinary skills education.

\$918,845 was spent on the administration of the Canadian Beef Check-Off Agency and the Board, which was under budget by \$82,005.

ADMINISTRATION

The Agency's programs supported the operations and Board, as well as the Agency's three strategic objectives:

- Sound Governance and Administration
- Structured Reporting and Compliance
- Educated and Engaged Stakeholders

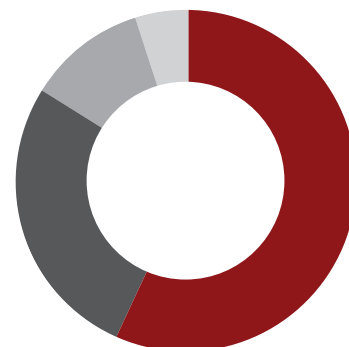
SOUND GOVERNANCE AND ADMINISTRATION

This past year, the Agency kicked off its regular scheduled bylaw review with a deep dive and recommended edits to update and modernize that piece of the

ALLOCATION OF REVENUE (%)

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

- 57% Market development and promotion
- 27% Research
- 11% Provincial investment
- 5% Public and stakeholder engagement



Agency's governance framework. A complete revision of the formatting and numbering system will accompany any larger scale changes recommended to ensure that the bylaws reflect the Agency's true operation and the intention of the stakeholders who the Agency is accountable to.

Another area the Agency focused on this past year was the proposal and implementation plan for the increased provincial cattle association administration fee, timed for April 1, 2024. Amending agreements were created for the provincial cattle associations and delivered in March in time for the April implementation date. The modernized administration fee will compensate provincial cattle associations for collecting the national check-off based on a percentage of the amount per head that they collect and be deducted from the national check-off on all marketings.

Agency staff worked to increase efficiencies with an ever-growing workload. Accounting processes continue to be streamlined, including cleanup in the Sage accounting system and the import levy. Working diligently on process cleanup has allowed staff to pull import levy invoices faster for both beef and pork. Ongoing work in this area will ensure that the Agency is continuously improving and focusing on fiscal efficiency and transparency on behalf of our stakeholders.

The Agency spent a significant amount of time administering the Public and Stakeholder Engagement Working Group, as the group sought to research and suggest governance structures for the PSE team. While the Agency was not directly involved in any decision making, we acted as a neutral administrator to host meetings, create resources, develop materials and generate a summary report. The report was delivered to the Canadian Cattle Association (CCA) and the provincial cattle associations, where any structural or governance changes will be recommended and implemented.

Building off the work in previous years, the Agency continued to explore the Scientific Research and Experimental Development (SR & ED) credit opportunities for Canadian beef producers who invest in research through the national check-off. While there is still more work to be done, we are working closely with the Beef Cattle Research Council (BCRC) and our consultant partners at KMPG LLP to finalize the feasibility of the program for the Canadian beef industry administered through the Agency.

STRUCTURED REPORTING AND COMPLIANCE

In the 2023/24 fiscal year, the Agency completed its first ever national service provider audit. The inspectors conducted

an audit of Canada Beef and followed the check-off funds from receipt to investment. The audit confirmed that Canada Beef continues to do business in a manner that check-off paying producers can rely on, knowing that dollars are being invested in a transparent manner.

Twenty-eight field inspections in two different provinces were undertaken this year, ensuring that the Agency continues to be focused on compliance when it comes to collection and remittance across the country. Over \$165,000 in slipped check-off was identified in BC, and over \$42,000 in slipped veal check-off was identified in Ontario. Two provincial cattle associations also signed new inspection services agreements, and the Agency's Manager of Compliance and Education also spoke at four Atlantic province events to educate and engage producers around check-off collection and remittance.

Agency staff have worked directly with the provincial cattle associations to help solve specific remittance and collection issues at the grassroots level. This continues to show the value of the Agency to helping problem solve regulatory framework hurdles and understand the impacts of specific situations on future decisions. Having a well-rounded Agency team helps to understand impacts from all angles, and recommend strategies to move forward with a unified plan in place.

Education is an important piece of the Agency's compliance program. The Introduction to Check-Off course available through the Agency was updated this year to ensure that the most accurate and up-to-date information continues to be available to all learners. We have also developed enforcement decision trees to guide Agency staff and provincial cattle associations on the legal steps to enforce compliance under the federal and provincial regulations for the collections and remittance of check-off and import levy. Agency staff also began implementing

a mini-series on check-off history for the Agency Members to ensure that the initial development of the regulatory framework is not lost on those who make decisions for Canadian beef producers around check-off collection and investment.

ENGAGED AND EDUCATED STAKEHOLDERS

The Agency focused on strengthening relationships across the industry, and representatives from our organization attended many industry events and meetings. Presentations were provided at many provincial and national organization's meetings, and the Agency continues to engage beef producers and the Government of Newfoundland to find ways to work together on check-off collection and remittance in that province.

We are proud to have become a trusted source for top quality data on beef cattle marketings. CCA now uses the Agency's data to assist in calculating their annual provincial assessments, and Statistics Canada, Environment and Climate Change Canada and Public Health Canada have entered discussions with the Agency to potentially utilize our data in the future.

Report cards were developed by staff for ten provincial associations and I.E. Canada, which focused on year over year revenue comparisons and a distilled picture of how marketings and imports change throughout the year and across the country. These report cards are valuable information for associations to assist with budgeting and identifying slippage or errors.

The Agency is closing in on two full years of having its first Youth Member, and the value of recruiting Julie Mortenson to the Agency as an observer has paid off for the organization. The Agency worked in tandem with the Canadian Cattle Youth Council to create a new recruitment plan to fill the Youth Member observer seat at the end of Julie's term at the 2024 AGM.

We are looking forward to onboarding a new Youth Member and would like to thank Julie for her investment into the Canadian beef industry through her role as the Agency's first Youth Member.

Also, in the realm of youth engagement, the Agency awarded our first scholarship in August 2023 to Hannah Nikkel of Alberta. Hannah's entry received top scores from the judging committee in a pool of more than 20 video entrants from across the country. The social media marketing for the scholarship alone resulted in substantially more likes, shares, comments, and views than any other Agency topic in five years, proving that the program was reaching a younger audience who may not have had exposure to the beef check-off previously.

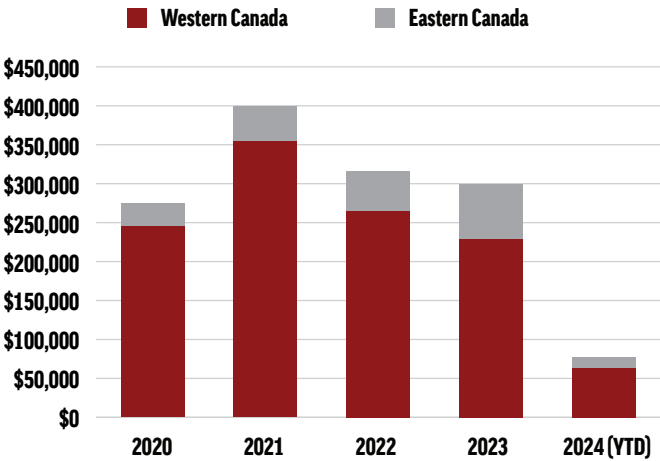
A suite of materials was created for the provincial cattle associations to utilize in time for their fall producer meetings. The materials were based on the Agency's annual report and additional areas where provinces have indicated that additional information was needed, like updated summaries on where and how check-off dollars are allocated. A new set of allocation graphics were also delivered to all provincial associations. Additional outreach and communications included our monthly newsletter The Gatepost, which was opened 30% more often this year when compared to last year.

Yours sincerely,



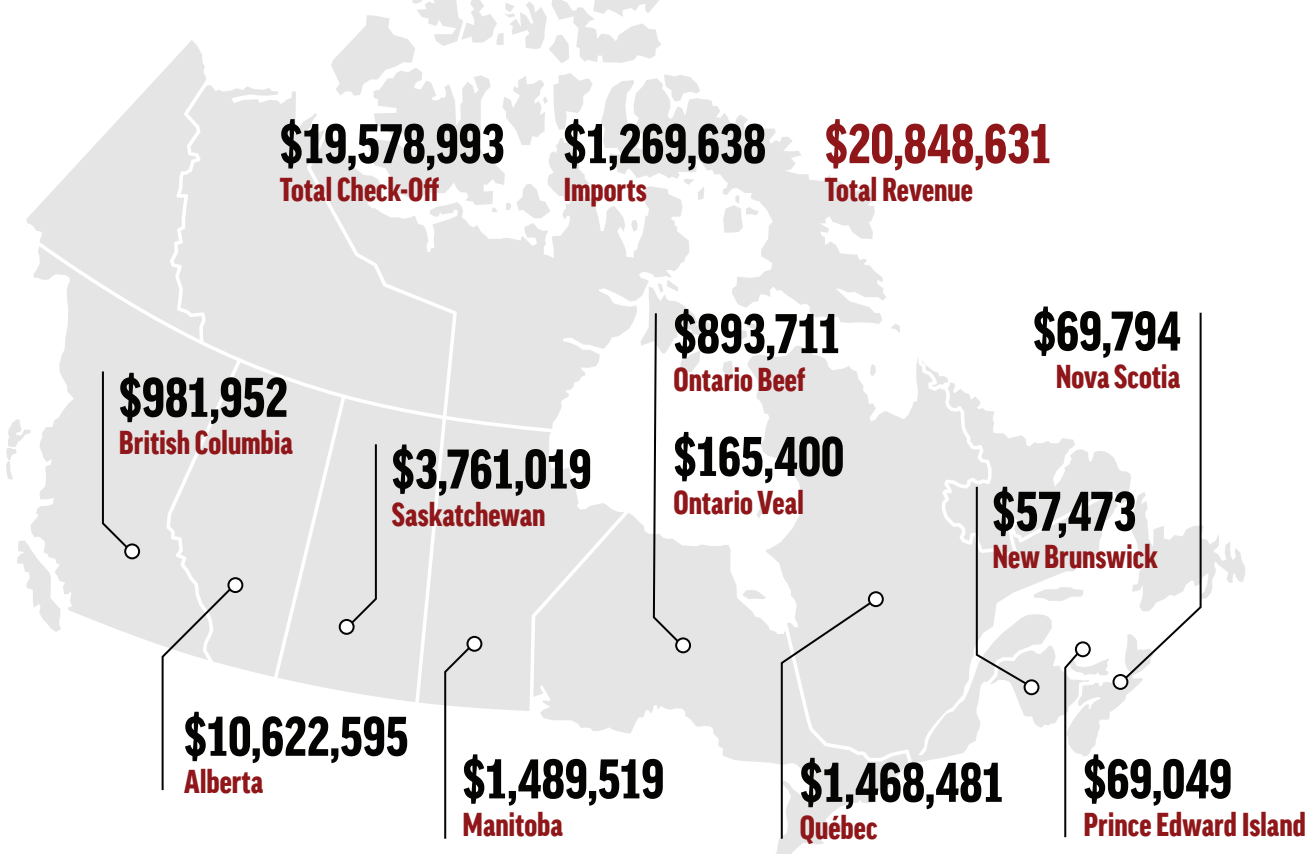
MELINDA GERMAN
GENERAL MANAGER

LIVE CATTLE IMPORTS



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.



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 foodservice 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.



2023/24 AGENCY MEMBERS



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 and marketing, ensuring that the Canadian beef industry receives strong value from their marketing investment through check-off.

** Denis Burelle is the temporary substitute member representing the retail and foodservice sector, who was called upon to replace Stephen Christie, who resigned his position on February 29, 2024. We would like to thank Stephen for his time on the Agency board.*

MARKET & INDUSTRY OVERVIEW

PREPARED BY CANFAX RESEARCH SERVICES

This past year was one for the record books, with new all-time highs established for most classes of cattle in both Alberta and Ontario.



“Canada was a net feeder importer every month in 2023, to the tune of 159,000 head for the year.”

NEW RECORD HIGHS ESTABLISHED; HEADWINDS TO END 2023

Alberta 550 lb steers moved steadily higher over the first nine months, climbing 33% to \$398/cwt in September. Alberta 850 lb steers very closely mirrored their lighter-weight counterparts, climbing 36% to \$328/cwt in September. The fall run brought some headwinds to the feeder market, with 550 lb steers easing 5% from their September peak to \$378/cwt in December. Alberta 850 lb steers also slipped 9% lower from their September high to \$299/cwt in December. Alberta fed steers rallied 31% between January and June, to \$247/cwt (live) in June, a new all-time high. Over the course of the year, margins on the cash market

(assuming no risk management) were estimated to average \$5-10/cwt in the black, with positive margins for all classes. Margins were estimated to be in the black every month from May to October across all six classes. Lethbridge barley prices steadily though somewhat inconsistently declined throughout 2023, supporting feedlot margins. Drought once again hit a portion of the Prairies last summer, pushing summer grassers into feedlots early. Third quarter 2023 placements were 25% higher than the third quarter of 2022. Feedlot supplies tightened in the U.S. faster than in Canada, pushing both the Alberta-to-Nebraska cash basis and the Alberta cash-to-futures basis weaker in the third quarter of 2023.

KEY NUMBERS

 **\$247/cwt**

Alberta fed steer price in 2023

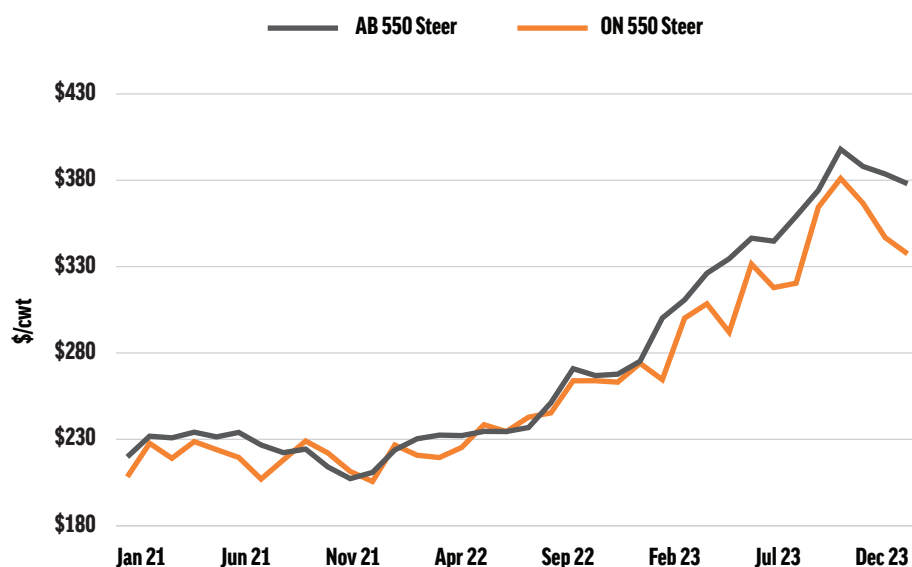
 **11%**

increase in fed exports

 **3.35 billion lbs**

Canadian beef production in 2023

ALBERTA AND ONTARIO FED STEER



Source: Canfax



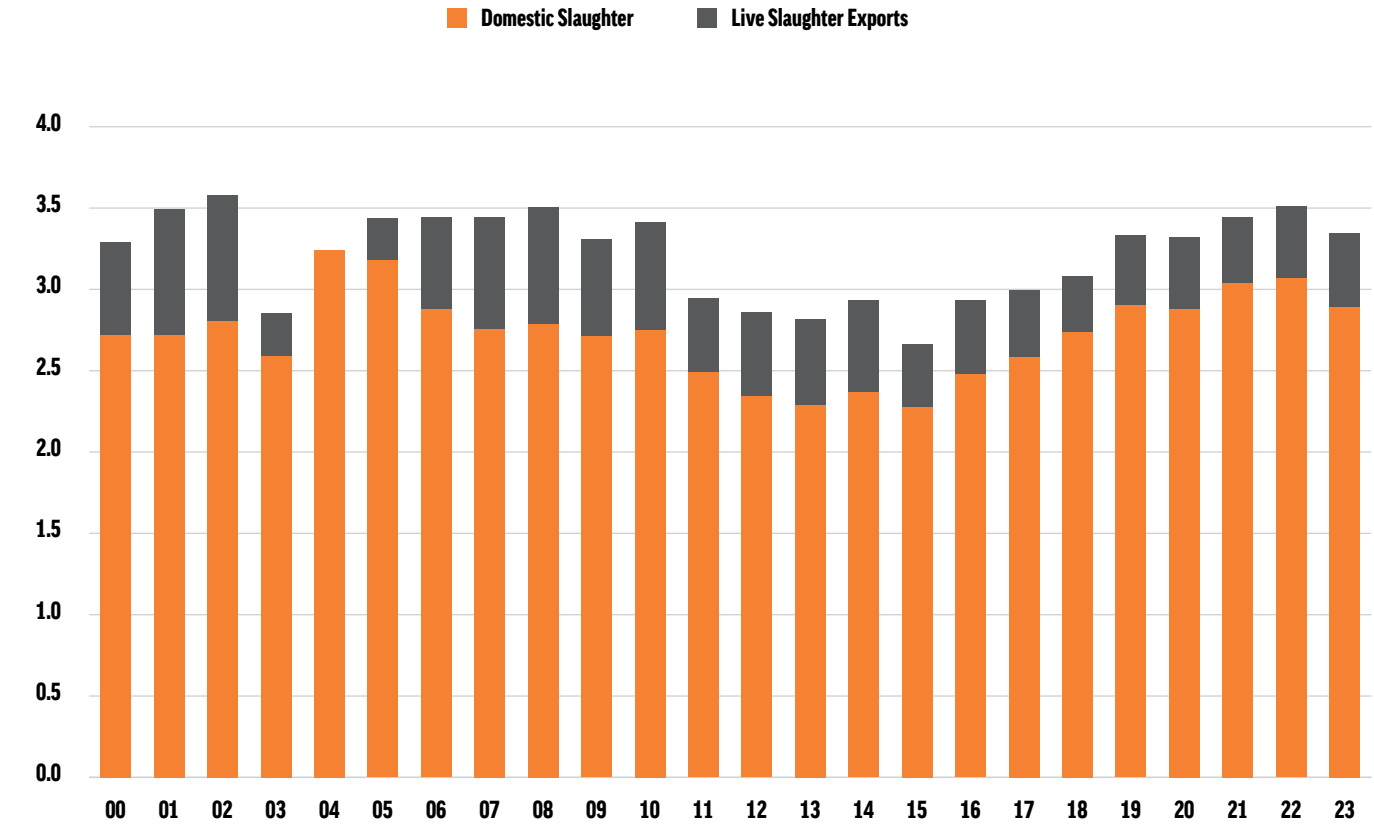
BEEF PRODUCTION PEAKED IN 2022 AND NOW HEADED LOWER

Canadian beef production (domestic slaughter + live slaughter exports) in 2023 was 3.35 billion pounds, down 5% from 2022; decreasing for the first time in eight years. Fed production was down 6% in 2023 to 2.9 billion pounds but was still the fourth largest volume since 2005; non-fed production was up 2% to 453.9 million pounds and was the largest volume since 2016. Domestic slaughter totaled 3.14 million head, down 4% from 2022. Fed slaughter was down just over 6% while non-fed slaughter was up almost 8%. Live slaughter exports at 540,500 head,

were steady with 2022. Fed exports at 355,100 head, were up 11%, with non-fed exports at 185,400 head, down 15%. Canadian slaughter utilization was estimated at 91% in 2023; 92% in the West and 89% in the East. Slaughter was over 100% of capacity nine times in the West, but only once in the East, suggesting relatively tighter supplies in the East. Canada was a net feeder importer every month in 2023, to the tune of 159,000 head for the year. Alberta 550 lb steers averaged a \$4/cwt premium to the U.S. in 2023, and Alberta 850 lb steers a \$2/cwt premium as feedlots imported feeders to fill pens.

Statistics Canada reported the Canadian cattle herd on January 1st, 2024, to be down 2.1% from last year to 11.1 million head, beef cows down 2.4% to 3.5 million head, and beef breeding heifers down 5.6% to 519,600 head. Western Canadian beef cow inventories, at 3.1 million head, are the lowest since 1991. Tighter North American beef supplies are expected in the second half of 2024, supporting beef prices throughout the supply chain, including at retail. Beef imports are anticipated to continue to fill the void with shrinking North American beef production.

CANADIAN BEEF PRODUCTION



Source: Canfax Research Services

**DOMESTIC CONSUMPTION DIPS,
EXPORT VALUES RECORD HIGH**

Total domestic beef consumption in 2023 was 924,300 tonnes (carcass weight), down 4% from 2022. Beef exports were down 1.5% from 2022 with imports up 13.8%. Per capita consumption (disappearance) was down 7% to 17.5 kg retail weight. Beef retail prices averaged \$21.08/kg in 2023, up 7% from 2022. However, once inflation was factored in, deflated retail beef prices were 2.8% higher. The Canadian population increased 3% from 2022 and crossed the 40-million-person mark, which stretched supplies and contributed to lower per capita consumption.

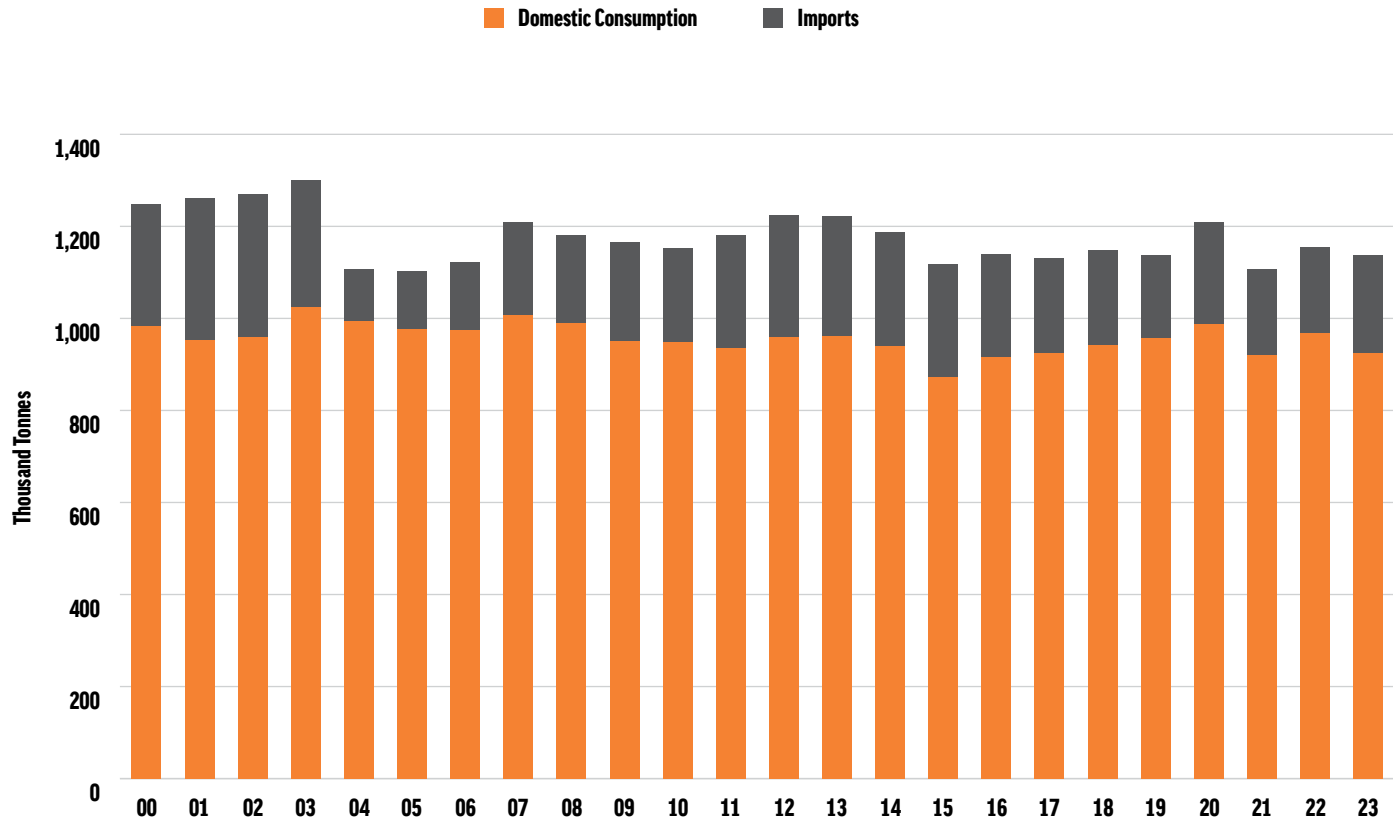
Canadian beef exports crossed the \$5 billion mark for the first time, only two years after crossing \$4 billion. Export values in 2023 were 7% higher than 2022. Export volumes were down 2% in 2023, to be just under 499,000 tonnes (product weight). The per unit value of exports increased 10% to \$10.07/kg; while the per unit value of imports increased a modest 1% to \$9.89/kg.

Exports to the U.S. were 375,200 tonnes (+3.9%) valued at \$4.04 billion (+17%), to Japan were 45,400 tonnes (-33.1%) at \$351.8 million (-32.1%), to Mexico were 32,300 tonnes (+21.8%) at \$283.8 million (+32.2%), to South Korea were 14,200 tonnes (25%) at \$121.8 million (-36.7%), to Southeast Asia including Taiwan were

15,100 tonnes (-23.8%) at \$96.3 million (-38.6%), to MENA were 2,900 tonnes (-25.5%) at \$23.3 million (-54.3%), to Hong Kong and Macau were 5,600 tonnes (+18.1%) at \$60.8 million (+18.9%), and to the EU were 1,400 tonnes (+17.6%) valued at \$24.9 million (+11.5%). There were no exports to the U.K. or China in 2023.

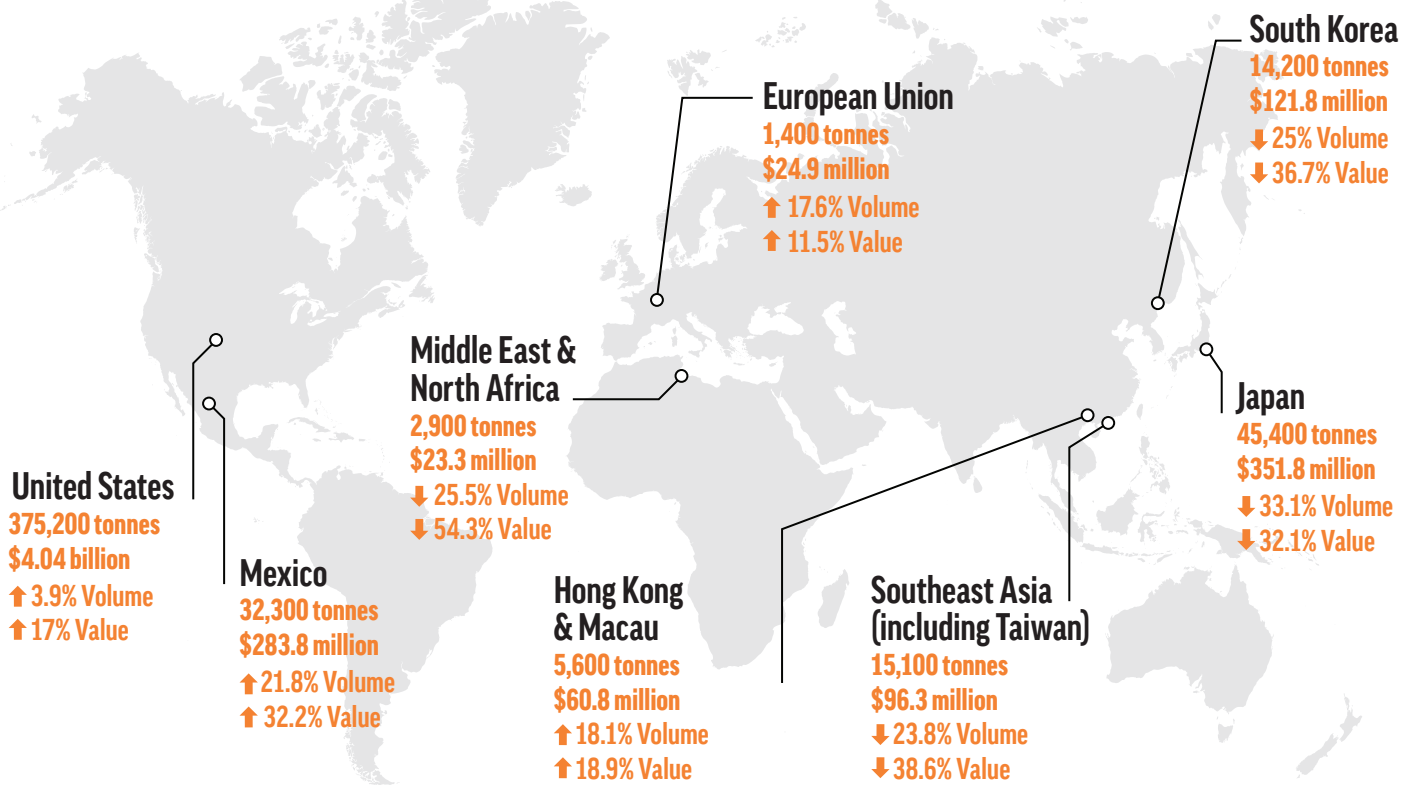
Beef imports were up 11.2% in volume (product weight) from 2022 at 186,600 tonnes, with value up 11.9% to \$1.84 billion. Canada's top five sources of imported beef by market share in 2023 were the U.S. (53% market share), Australia (10.9%), New Zealand (9.7%), the EU and U.K. (9.4%), and Uruguay (6.4%). Mexico is making inroads with 6.2% market share in 2023.

CANADIAN BEEF CONSUMPTION

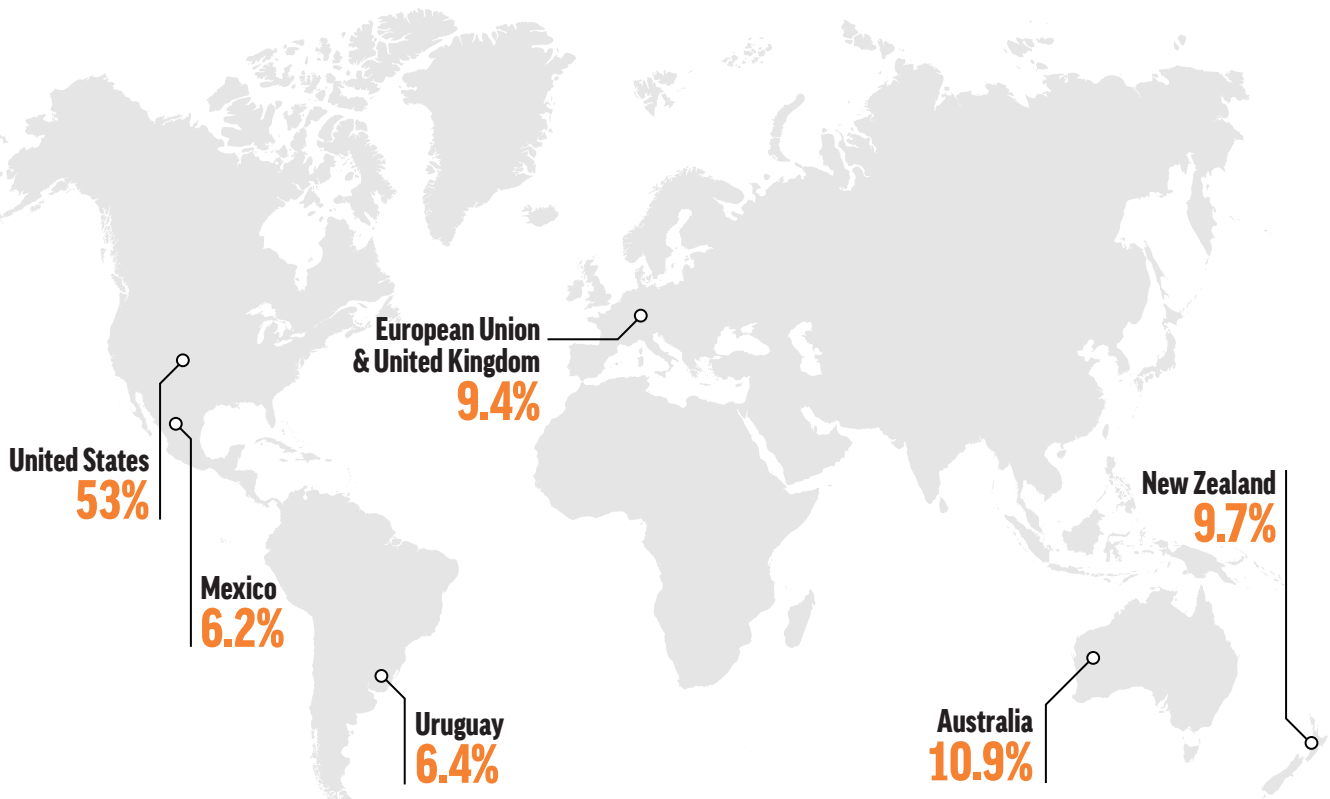


Source: Statistics Canada

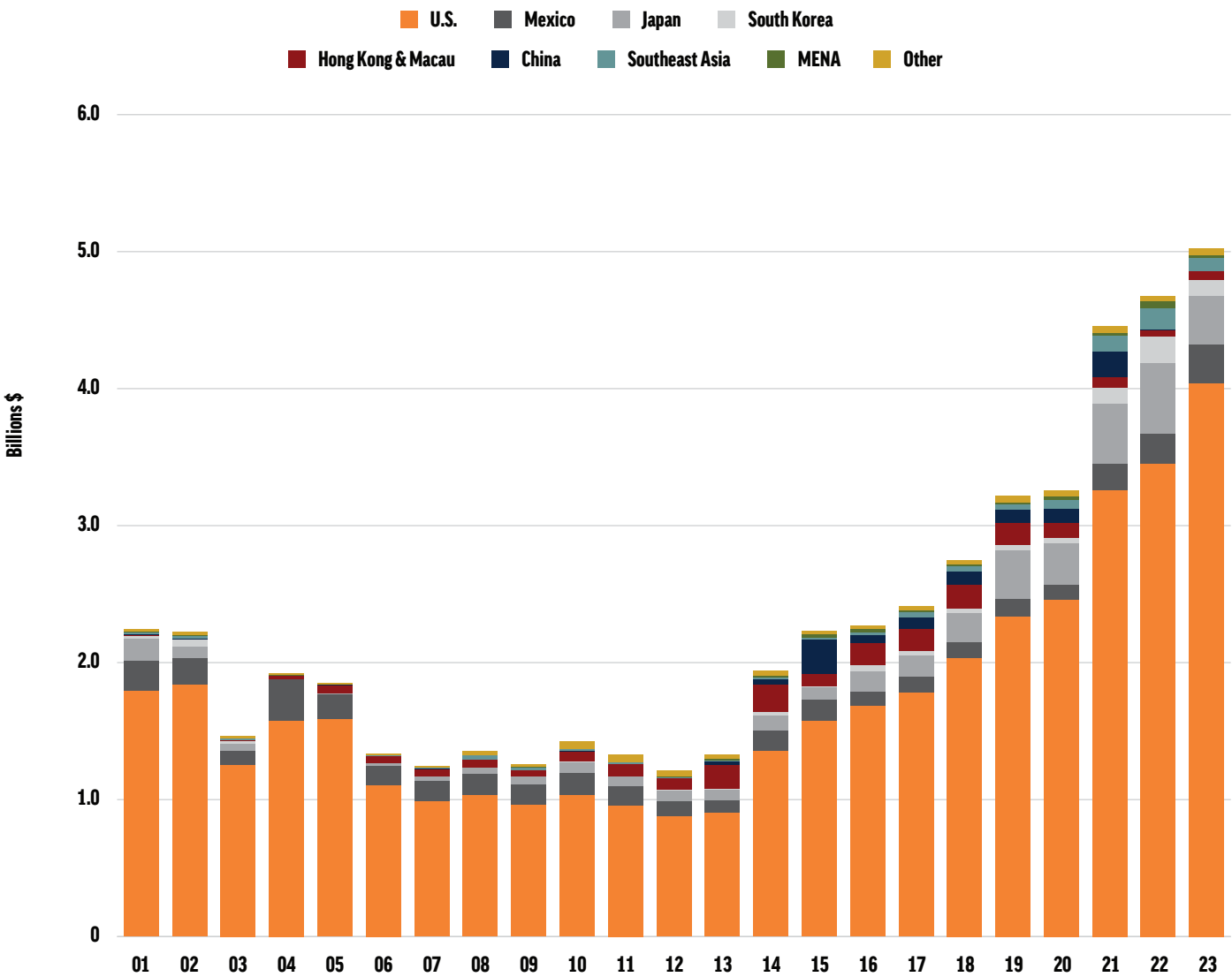
CANADA EXPORT 2023



CANADA IMPORT 2023



CANADIAN BEEF EXPORT VALUE



Source: Statistics Canada

FIRST QUARTER 2024

First quarter 2024 fed slaughter (FI only) at 651,800 head, was down 3.2% (-2.2% in the West and -7.1% in the East). Non-fed slaughter at 132,600 head, was down 7.6% (-6.1% in the West and -12.5% in the East). First quarter domestic beef production at 711.4 million pounds, was steady with the first quarter of 2023. Production was supported by Western Canadian fed steer weights (+55 lbs in the first quarter). Fed

beef production at 608.4 million pounds was up 0.4%; while non-fed production at 103 million pounds was down 2.8%. Feed grain prices continued to move lower in the first quarter; Lethbridge barley was down 8% between January and March, to \$288/tonne by March. Ontario corn eased 5% lower over the course of the first quarter to \$206/tonne in March. Lower feed costs translated to a lower cost of gain, encouraging more days on feed, and supporting carcass weights.

Canada's beef export market remains strong. Exports in the first quarter of 2024 were up 8.5% in volume and 12.2% in value from the first quarter last year. The U.S. revised projections to have a modest 1.4% drop in beef production this year, though production is projected to be above year ago in both the second and third quarter. Revised estimates for 2024: the first quarter -3.9%, the second quarter +1.6%, the third quarter +0.1% and the fourth quarter -3.3%.

MARKET DEVELOPMENT & PROMOTION

Total investment: \$11,182,386 (check-off and import levy)

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



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

Consecutive years of widespread drought and wildfires saw the continued tightening of the beef supply in Canada and the resulting higher prices along with currency volatility made Canadian beef less competitive in certain markets.

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 2023/24 fiscal year, Canada Beef remained responsive by repositioning marketing efforts on a continual basis to provide proactive solutions to the market challenges.

Sustained inflationary pressures and extreme weather events, along with strong international demand for beef, kept upward pressure on animal protein prices. Canadian beef became a poster child for sticker shock domestically even as inflation drove prices for all groceries and the cost-of-living higher which only intensified Canada Beef's focus on tactics to build brand loyalty and keep beef on the plates of consumers.

Canada Beef's social and digital spaces were used to engage and connect with consumers and producers to build brand loyalty. For Q1, the Canada Beef English website saw over 93,000 users with 165,000 page views. The Canada Beef French website had over 99,000 users. As a result of an update to the Google Analytics (GA4) system in June, analytics for the English and French websites were now combined. From Q2 to Q4, the website saw over 913,000 users. Facebook and Pinterest were the top two social platforms that drive the most direct traffic to the website. The top content pages viewed and searched were Roasting Know How and Recipes.

Canada Beef's social platforms continued to support marketing efforts by building brand loyalty and creating consumer awareness on beef production. Combined results for 2023-2024 totalled 32+ million consumer impressions, 465,000 engagements and 177,000 post link clicks. New followers across all social platforms increased 10.5% for a total combined fan base of 81,000+ followers.

The February 2024 Burger It Forward campaign saw participation from 199 restaurants across the country, a 77% increase in participation from the prior year's campaign. An estimated 59,794 burgers were sold, more than doubling the total sold the year prior, and \$67,406 was raised for food bank efforts across the country.

The second annual campaign aimed to "beef up" the protein portion of food bank offerings while supporting locally-owned restaurants. Participating restaurants in six regions 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 \$10,000). The campaign generated over 2.4 million impressions from traditional and social media, 88 unique earned media hits, national PR outreach to more than 500 media and influencers and earned the advertising equivalent of \$24,505.

The Import Levy provides funding for positive beef messaging across Canada. Beef Week, a consumer engagement event launched at five post-secondary school campuses in Q3, helped reach a young audience of 'next generation' beef consumers and counter negative beef information in an engaging way. The campaign was timely given Health Canada's launch of a Canada Food Guide initiative to further promote plant-based mandates at publicly funded foodservice operations such as post-secondary institutions.

KEY NUMBERS



32+ million

2023-24 consumer impressions



\$67,406 raised

for food bank efforts across the country



69,000 total

Unforgettable Beef engagements



CANADA BEEF

Unforgettable Beef, an affirmative advertising/promotion campaign, launched in Q4. The campaign targets affluent consumers 25 to 54 years of age who cook at home. Digital advertising launched mid-January resulted in 45,000 video views on YouTube and over 24,000 engagements.

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 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.

“ Canada Beef’s social and digital spaces were used to engage and connect with consumers and producers to build brand loyalty.”

Examples this fiscal include resources to support the industry’s submission on the Pan-Canadian School Food Policy and inform Health Canada’s Protein Quality Assessment consultation, as well as tools to navigate Health Canada’s front-of-package (FOP) nutrition labelling regulations. The findings also serve to inform communications direct to health professionals.

The Canadian Beef Information Gateway (Gateway) now features seamless integration online and within Canadian grocery stores. The team developed an innovative scanning feature that allows consumers to scan the barcode on beef packages at over 30 different retailers, encompassing most of the country’s major grocery stores. This scan immediately directs consumers to an information page on the Gateway.

Work continued on a Canadian Beef Information Restaurant Gateway pilot to support establishments from small independents to large national chains. A tiered program with different levels of participation is under development.

One national and two regional retail partners launched their branded versions of the Gateway this fiscal. 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 Canadian Beef Centre of Excellence (CBCE) continued with the production and editing of Canadian beef videos to support foodservice, retail, and wholesale applications. This included 84 new instructional merchandising videos for retail, 41 merchandising videos for foodservice, and a Foodservice Recovery

Video Series to support Canadian foodservice operators in recovery from COVID-19.

A new Test Kitchen and Innovation lab was developed within the CBCE to test and develop recipes to support Canada Beef’s new Culinary Planners, a project managed by Global Marketing. The CBCE developed 150 commercial recipes and the visual media assets for the buildout of the Culinary Planners.

To support skills training for industry, Canada Beef engaged with young leaders in foodservice, hospitality, and butchery programs and partnered with academic institutions to drive interest in enrollment at Canadian vocational institutions.

Canada Beef’s work in export markets is creating opportunities for the Canadian beef industry to realize greater value for



the carcass than could be realized in the domestic market alone. As well as offering competitive bids on middle meats, the export markets can deliver better returns for end meats, credit/thin meats and offal than here at home. Canfax estimates that beef exports provide an additional \$1,295 per head/carcass value (five-year 2019-2023 average) to the packer that determines value throughout the supply chain.

In 2023-24 Canada Beef supported 159 separate international market development projects targeting 11 export markets where Canadian beef is sold. Within these initiatives the Canada Beef International team participated in 19 international trade shows in seven different countries reaching many new potential clients for Canadian beef. Over 1,300 meat industry professionals in four

select export markets received training regarding Canadian beef by way of 18 different demand building and educational initiatives.

Canada Beef supported 46 separate promotional and marketing initiatives that highlighted Canadian beef sold at 26 retail and eight foodservice clients in nine countries. Furthermore, Canada Beef partnered with the Canadian Trade Commissioner Service on eight separate promotional events featuring Canadian beef in six different countries. Digital marketing, trade advertising, recipe development, social media and the creation and distribution of marketing and point of sale materials were among other tactics utilized to promote Canadian beef in international markets.

In addition to the above, 42 cost-shared Export Market Development Partner

Program projects were approved that supported 13 incoming buyer delegations, three outgoing market development visits, 14 different promotion and marketing initiatives and 12 projects that involved international trade show and seminar attendance. Of these 42 projects executed, 26 different companies received support targeting seven different export markets.

The conclusion of the fiscal year ushered in a new era at Canada Beef by way of new leadership. On April 1, Eric Bienvenue assumed the position of Canada Beef President following Michael Young's retirement after five years at the helm. Canada Beef thanks Young for his strong leadership and contribution to Canada's beef industry and wish him well in his retirement.



RESEARCH

Total investment: \$4,689,238

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.



“ On average, BCRC received \$0.67 of every \$2.50 of the Canadian Beef Cattle Check-Off.”

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.

The BCRC is funded in part through a portion of a producer-paid national levy, the Canadian Beef Cattle Check-Off. In 2023/24, the 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 Sustainable Canadian Agricultural Partnership funding, where industry contributed 42% (\$1.50 million) and AAFC contributed 58% (\$2.05 million) in 2023/24. In addition, the BCRC leveraged the Canadian Beef Cattle Check-Off for an additional \$3.9 million in research funding and \$247,000 in-kind from government and industry partners through initiatives outside of the Beef Science Cluster.

Several projects approved in previous calls are still underway or nearing completion. Modelling the effects of nutrient runoff from cattle grazing found that grazing is not the major contributor of nutrient exports in grasslands. The benefits of using annual forages in an integrated crop-livestock system in Western Canada depend on region and weather and diverse annual mixtures improve soil health and quality regardless of livestock grazing. Examining the use of high-moisture corn products found that they are a

good alternative energy source for finishing cattle. Researchers found that the contagious spread of antimicrobial resistant Bovine Respiratory Disease (BRD) pathogens in feedlots is primarily responsible for widespread BRD early in the feeding period.

Funding was approved for six Proof of Concept (POC) projects in 2023/24. These are short-term (six months to one year) projects to help inform whether it is worth pursuing a larger, more defined research investment. Evaluating the use of telemedicine in cattle necropsies found an improved chance of reaching diagnosis. Increasing vitamin A supplementation to cows in late gestation found that though there was an increase in marbling in the calves, there was no difference in grade.

Priority research includes projects that fall outside of the Cluster program requirement or timeline but are important to the beef industry. All projects are funded jointly by Canadian Beef Cattle Check-Off dollars leveraged with at least 1:1 funding from government and/or industry partners. Due to higher funding requirements for Science Cluster IV, the BCRC has moved from an annual call for proposals to completing a call every 18 months. In addition to offsetting cluster funding requirements, this allows for larger funding calls that attract stronger research proposals and increases efficiency within the proposal evaluation process. A call for Letters of Intent went out in January 2024 and received 59 letters of intent. Of these, 21 research teams were invited to submit a full proposal. Final funding decisions will be made later in 2024.

In 2023/24, the BCRC managed 75 Priority Research Projects with funding made available to researchers through

KEY NUMBERS



\$3.9 million
additional in research funding



59
research proposal LOIs received



75
Priority Research Projects managed



previous open calls for proposals. National Check-Off funding in 2023/24 was allocated to Forage & Grassland Productivity (35%), Animal Health & Welfare and Antimicrobial Use & Resistance (29%), Feed Efficiency & Utilization (23%), Beef Quality & Food Safety (11%) and Environmental Sustainability (2%).

The BCRC continued to support the implementation of long-term research capacity in 2023/24. 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 2023/24, two start-up funds were implemented for new researchers. The University of Alberta has hired Dr. Erick da Silva Santos as the Assistant Professor of Forage Production and Management. The University of Guelph is currently hiring for the position of Professor in Ruminant Health Management.

Knowledge and Technology Transfer (KTT) activities continue to advance through the Beef Science Cluster, internal initiatives, the Canadian Beef Technology Transfer Network, and a new initiative for regional extension event funding. The Beef Science Cluster KTT program develops and distributes articles, decision tools, videos, blog posts and webinars. Eastern content expansion and Enhancing extension through veterinary collaboration are internal initiatives to reach new producers across the country. In 2023/24,

the Canadian Beef Technology Transfer Network launched two collaborative projects: water quality management and genetic literacy improvement for producers. Regional workshops in Manitoba provided producer training for the CowBytes Ration Balancing software. Producer peer groups in Saskatchewan are facilitating open discussion of challenges, opportunities and experiences.

The BCRC supports priority surveillance networks related to production limiting diseases and antimicrobial resistance and use. In 2023/24, funding continued for three surveillance projects and the Canadian Cow-Calf Cost of Production Network.

The BCRC oversees the delivery of the Verified Beef Production Plus (VBP+) program. VBP+ advances producer training objectives and the delivery of on-farm certification services through VBP+ Delivery Services Inc.

The number of producers who have taken VBP+ training has steadily increased, with the largest percentage taken through in-person workshops. Some training has been successfully accomplished through partnerships with post-secondary institutions and auction marts. In-person training can focus on all or selected modules of the VBP+ training, depending on time availability. Modules related to On-Farm Food Safety and Biosecurity are popular and timely modules.

Over the 2023/24 year, there has been a decrease in numbers of certified operations, but the number of cattle under the management of certified operations have remained relatively stable. Acres under the management of certified operations continues to increase as reporting becomes more complete.





A photograph of two Canadian beef cattle, likely a crossbreed of Angus and Hereford, standing in a snowy field. The cattle have thick, shaggy coats with brown bodies and white faces. They are looking towards the right. The background is a bright, snowy landscape with some bare trees visible in the distance.

PUBLIC & STAKEHOLDER ENGAGEMENT

Total investment: \$959,589

The Public and Stakeholder Engagement (PSE) program is jointly delivered by the Canadian Cattle Association and Canada Beef.

Developed first as a two-year pilot project in 2016 under the name Issues Management, the program marked a milestone of five years of full funding at the end of the 2023-24 fiscal year. The mandate of the program is to deliver the public trust objectives under the National Beef Strategy, which fall under both the Beef Demand and Connectivity pillars. Managing issues that could impact public trust in beef production continues to be a core focus and includes building tools, resources, and training for beef industry advocates. Creating proactive content that highlights the benefits of raising beef cattle in Canada and developing strategic partnerships also work to increase public recognition of the beef industry's direct and indirect contributions to society.

In a continuing effort to equip producers with tools for advocacy, media training was provided in the spring and fall for 25 industry stakeholders comprising of primary producers (including all the Environmental Stewardship Award nominees), veterinarians, researchers, and academics. For the first time, this also included media training in French for participants from Quebec and Ontario. PSE also presented on beef advocacy at

the BCCA AGM, to the BCRC mentorship group, the Canadian Cattle Youth Council and students at the University of Saskatchewan, Lakeland College and Dalhousie. Lastly, a communications tabletop exercise was held in September with over 35 participants from both provincial and national cattle associations. The exercise fostered industry relationships and collaboration, building trust and skill sets to ensure industry preparedness in the future.

A new initiative launched this year is the Public Advocacy Guide. This calving-style flipbook is a quick reference to key messages, statistics, and resources for any producer interacting with the public, preparing for interviews, or giving presentations. The guide is available both digitally and in a printed hard copy for easy access during events, tours, and conferences. Included in the guide are QR codes to access informational videos, short documentaries, and internal factsheets created by PSE.

Canada Beef partnered with Farm and Food Care Ontario (FFCO) to update the sixth edition of the 'Real Dirt on Farming' resource, which answers consumers' questions about how food is grown in

KEY NUMBERS

 **212,000 issues**
of Real Dirt on Farming distributed

 **70% of Canadians**
love beef farmers and ranchers

 **3,000+**
Guardian of the Grasslands game played





Canada. 212,000 copies of the digest edition of the resource were distributed through a national campaign with Post Media and included a full-page ad in newspapers across the country. FFCO also distributed the resource to more than 2300 registered dietitians. As well, Canada Beef sponsored Farm and Food Care Saskatchewan's farm tour this past summer, hosting more than 20 students in Pharmacy and Nutrition majors.

Consumer research was conducted in July 2023, as part of the three-year strategy cycle, which informs proactive consumer campaigns, identifying must-win audiences and ensuring key messages are resonating. Results included an increase in the percentage of Canadians that have excellent or very good opinions of beef farmers and ranchers, from 68% to 70%. Participants also ranked beef as the healthiest source of animal protein.

Consumption levels remained steady from 2020 and 28% of Generation Z respondents said they are looking to increase their meat consumption. Overall, analysis of the findings highlighted the importance of providing information in a format and on a medium that is easily accessible to key audiences, who know very little about beef production.

Public outreach activities continue to highlight the benefits of raising beef cattle with these key audiences. The Guardians of the Grasslands game expansion has been supported by a successful Sustainable Canadian Agricultural Partnership (SCAP) grant from the Agriculture and Agri-food Canada. This includes curriculum alignment for junior high and high school students in nine provinces across Canada. A French language version, including voiceover narration of all text, is curriculum aligned for students in QB. Close to 150 teachers

and educators have registered on the website and the various versions of the game have recorded more than 3,000 plays online.

The gamified education tool has also seen lots of earned media interest with CTV News running a story on the game across Canada, garnering an estimated reach of over 12.4 million. CBC News also ran an extensive feature which included broadcast television and radio coverage, with a reach of 15 million, while the print and digital article reach was estimated at 16.2 million. Lastly, the game was awarded Best Exhibit at the 2023 Canadian Agri-Marketer Alliance (CAMA) Awards and a certificate of merit (runner-up) award for website design.

Highlighting the results of the National Beef Sustainability Assessment (NBSA) is key to providing science-based evidence in the environmental benefits of



“ Public outreach activities continue to highlight the benefits of raising beef cattle with key audiences. ”

raising beef cattle. Canada Beef featured three sets of print and digital ads in Canadian Living and Canadian Grocer magazines and websites. The print ads had a reach of 735,414 and an impressive combined reach of 16 million when digital is included. As well, a full-page advertorial in the National Post was estimated to reach 500,000 readers. In addition, Canada Beef placed advertorials in the Vancouver Sun, National Post, Globe and Mail and Toronto Star newspapers in July and September highlighting Environmental Stewardship Award recipients in British Columbia and Ontario with a reach of 2.9 million readers.

This past spring, Canada Beef conducted a social media campaign to promote the beef industry's positive environmental stewardship message and drive awareness and viewership of Canada

Beef's 'Why Canadian Beef' website. The campaign targeted Canadians 20 to 40 years of age interested in food, cooking and sustainability topics in the Vancouver, Edmonton, Calgary, Toronto, Ottawa, and Montreal markets. The campaign used two 15-second online video ads in English and French highlighting NBSA key findings, with an expected reach of more than 4 million consumers.

On the Raising Canadian Beef social media channels, managed by the CCA PSE team, a Canada-wide influencer campaign saw food, mom and lifestyle influencers visiting farms and ranches to discover the role of cattle in reducing food waste in Canada. The call to action drove audiences to the trailer video for PSE's third short documentary, *Reduce, Reuse, Ruminare*. The campaign ran on Instagram from the beginning of October to the

end of November, with an overall reach of more than 120,000.

In a continued effort to reach new audiences through film festivals, *Reduce, Reuse, Ruminare* was selected for the Ceres Food Film Festival in New York City and awarded Best Documentary at the Wildsound festival. Advance screening events were held at post-secondary institutions in Manitoba, Saskatchewan and Halifax. A series of exclusive media and influencer events were hosted in Toronto, Vancouver and Calgary in early spring, with Cavendish Farms coming on as a title sponsor for the series. Overall, the print, digital and broadcast media earned from these events had an estimated reach of 688 million and a value of \$62,000. Paid influencer reach was 150,608 with 8,277 engagements.

PROVINCIAL INVESTMENT PROGRAM

Total Provincial Investment: \$1,934,373

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

\$85,089

Total Provincial Investment

The Manitoba Beef Producers (MBP) undertook production-related research activities that invested 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.

CALF IMPLANT PROJECT

The Calf Implant Project aimed to conduct research on the impact of implants in suckling calves. The use of implants in the cow-calf sector is relatively low, and this area offers significant opportunity to improve both economic and environmental sustainability for Manitoba and Canadian beef producers. With the Food and Agriculture Organization of the United Nations (FAO) estimating that the global population will increase to over nine billion people by 2050, food security will remain an important priority and Canada's beef producers will play a strong role in providing economically and environmentally sustainable food. With the bulk of the research completed, MBP has begun knowledge transfer events on the use of implants in beef cattle. These events include the Manitoba Beef and Forage Production Conference and radio interviews showcasing the preliminary findings of the research. Following the completion of the project next spring, MBP will continue a strong communications push to producers and national partners.

MANITOBA BEEF AND FORAGE INITIATIVES

As part of a multi-year 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. With higher-than-normal open rates in the Manitoba cow herd in 2023, MBP worked with partners to evaluate bred females for blood serum mineral analysis and are reviewing the results with Cargill research science specialists. Other areas of focus through MBFI include a wide array of demonstration projects to showcase beneficial management practices, new tools and technologies, innovative grazing or cropping practices and the economics of those practices. Also, under the MBFI investment are nine active research projects ranging in focus from grasslands restoration, effects of drought on soil organisms, precision cattle ranching for improved reproductive efficiencies, and more. Extension is always an integral part of MBP's MBFI investment, and the organization focused on partnering with researchers and guest speakers to deliver information through various in-person events like field days and tours, calving workshops, and grazing and forage workshops. They are also continuing to explore other knowledge transfer opportunities like virtual field walkthroughs.

PUBLIC TRUST ACTIVITIES

MBP's public trust programs are aimed at driving stronger engagement with the public. This past year, MBP invested in creating two farmer family videos under the Great Tastes of Manitoba brand, which include video footage and message delivery that are available to national partners as well. MBP has also been using a new mobile station at various events to leverage the resources they develop and communicate the positive message of beef production to the public. MBP is ready to share information on design and development with other provincial and national organizations looking to expand

their public-facing messaging opportunities. While measuring public trust can be difficult especially in a single year, MBP continues to measure the success of the multi-tactic approach through the development and delivery of strong, purposeful resources, and leveraging national surveys.

STACKING GREENHOUSE GAS MITIGATION

Due to funding delays with leveraged funding opportunities, this project and its associated provincial investment check-off investment has been reassigned to the 2024/25 project year.



BEEF FARMERS OF ONTARIO



\$352,875

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.

LRIC reviewed 27 livestock-related research proposals by University of Guelph faculty to the Alliance funding program. In addition, they organized and brought forth the results of over 75 additional industry reviews and

managed seven different research projects. A renewed focus on identifying trends and opportunities in Ontario's livestock sector came from LRIC this year, and a report was prepared by the Canadian Agri-Food Policy Institute under the leadership of LRIC, focusing on forces impacting animal agriculture in Canada. Other impactful investments through LRIC included the mentorship program which awarded Dr. Emma Borkowski for her work in gastrointestinal nematodes, an Innovation Farm Tour program which demonstrates how research and innovation fit in livestock production at the farm level, and the Horizon Series webinars, which focus on big things impacting livestock production.

Results and extension activities from LRIC projects were communicated extensively through Ontario and beyond. Several magazine and newspaper releases targeted producers, while other publications targeted the research community. BFO specifically targeted beef producers through the Ontario Beef Magazine on five occasions and included a thorough report in the 2023 BFO Annual Report.

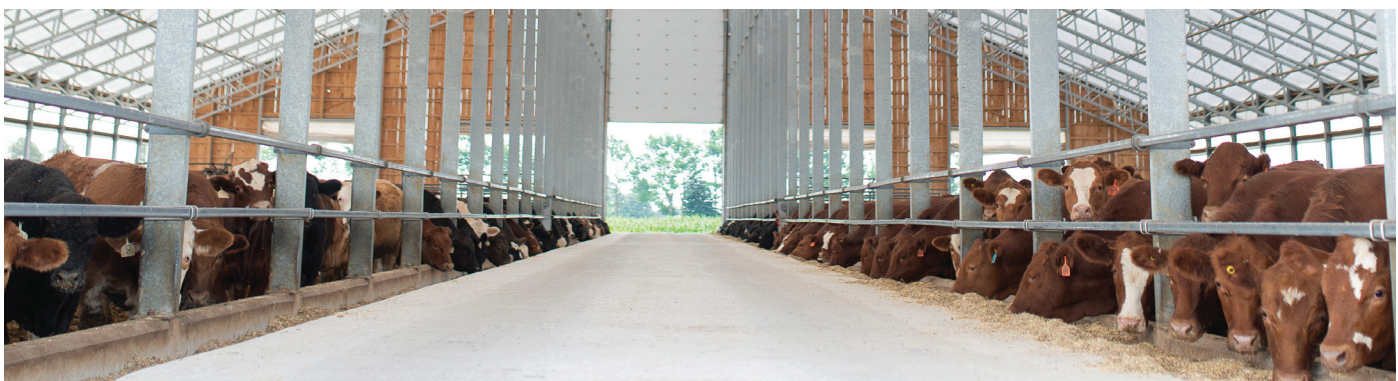
ONTARIO BEEF PROMOTION AND CONSUMER ENGAGEMENT

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 a range of activities, BFO attracted a wide range of attention to their strategic media buys. BFO content garnered over 38 million impressions and over 138,000 direct engagements. They drove 23,000 new visitors to the website and received 13,000 entries into the barbecue battle contest. BFO participated in three Breakfast from the Farm events, which saw a total of around 4,000 visitors collectively. The Canadian National Exhibition is a 19-day event in Toronto and thousands of urban visitors came through the farm building. BFO participated in Toronto Food & Drink Fest, which brought several thousand visitors, and they rounded out the year at the Royal Winter Fair, where thousands attended.



Les Producteurs
de bovins du
Québec



LES PRODUCTEURS DE BOVINS DU QUÉBEC

\$1,227,484

Total Provincial Investment

Les Producteurs de bovins du Québec (PBQ) collect levies based on various classes of cattle, and in turn, they 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.

Additional attention was paid last year to strengthening breeder herd fetal protection, through vaccine protocols. This was done through onsite testing at the point of auction through tissue sample testing and verification.

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, and to adapt to changing market signals

and promote the sustainability of Quebec beef production. The mandatory certification goes into effect in January 2025. A 5% increase in annual production capacity was seen over last year, in preparation for the mandatory certification in 2025.

The association also developed a promotional partnership with Montpak International Inc. and Boeuf du Québec. The program developed marketing activities and resources to strengthen the demand for beef raised in Quebec to consumers in the province.

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.

In 2022, a tool was developed to assess milk-fed calves for abomasum lesions, and in 2023 a second phase was pursued with the Université de Montréal's faculty of veterinary medicine. The application was approved for the continued research and had just begun at reporting time. The project objectives range from assessing the prevalence of abomasum lesions to evaluating specific risk factors and more.

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.

Work also continued with research partners at Agriculture and Agri-Food Canada and the Canadian Beef Grading Agency on the development of an innovative commercial-scale classification system for veal carcasses using proven meat industry technologies. Validation of the yield ruler will continue into 2024. The validation will allow for the establishment of yield classes based on yield distribution.

CULL CATTLE AND BOB CALF PROGRAMS

In 2023, the veal sector engaged in a collaborative project to improve the supply of beef crossed dairy calves for veal cattle production. The first part of the project established a measure between back fat deposits, sex, and crossing. This part of the project sought to better understand the back fat deposition on different types of veal to address sector concerns related to beef crossed dairy for veal production. Analyses revealed that Angus-crossed female veal had increased back fat deposits compared to male and female purebred Holstein veal at the start of their grain-based finishing diet, particularly after the second month. The project's next phase will look at how to reduce back fat deposits through diet modifications.

NEW BRUNSWICK CATTLE PRODUCERS



\$38,492

Total Provincial Investment

BURGER IT FORWARD

The Burger It Forward national campaign leveraged the national investments of Canada Beef into a provincial or regional target market, which partnered with burger restaurants to promote Canadian beef burgers. Nine provinces took part in the campaign, including New Brunswick, Nova Scotia and Prince Edward Island. New Brunswick and Nova Scotia partnered with Irving Big Stop restaurants in the Atlantic region. A total of 59,794 burgers were sold

nationally, with 11,785 of those being from the Irving Big Stop Restaurants in Atlantic Canada. A 77% increase in restaurant participation was seen over the past year, which indicates the success of the program not only for the beef organizations but delivers value to the foodservice partners as well. There continues to be significant opportunities to leverage national marketing opportunities through provincial investment activities.

GENETIC MARKETING PROGRAM

To improve genetic testing and herd performance in New Brunswick, the NBCP invested in a genetic marketing program that offered producers 30% back from their purchase of elite genetic potential animals. To be eligible, the animals must

have had a minimum of three EPDs in the top 50th percentile of their respective breed. The intention was to gather genetic performance and encourage producers to purchase higher quality genetics through the program. While the program was utilized to a successful degree, the data was captured differently than in previous years and has been challenging to access for easy reporting. This can be an area of improvement for future years. The majority of NBCP's investment was made in the data collection and communications areas of the project.

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





NOVA SCOTIA CATTLE PRODUCERS

\$45,823

Total Provincial Investment

BURGER IT FORWARD

See Burger It Forward under New Brunswick Cattle Producers section.

SOIL AND FORAGE MONITORING AND IMPROVEMENT

Forage and soil management and improvement are an important piece of beef production across Canada, and NSCP continued investing in strategies to focus on these areas. With the importance of soil fertility to the region, and aging science paired with an exhaustive 50-year

focus on soil pH, NSCP worked to update the research and whether the extension opportunities have made an impact in the area. NSCP worked closely with researchers and extension specialists to focus on the purchase of lime in the area, as well as analyze 25 forage analyses, and conduct seven manure analysis between 13 producers who participated in the project. Feedback from the participants put an increased focus on the future possibility of leveraging additional funds to increase participation moving forward.

PRECONDITIONING PROJECT

NSCP continued to invest in an On-Farm Cattle Precondition Pilot Project to improve cattle herd health in the province by 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. While no cattle were processed this year due to staff turnover and coordination efforts being refocused, investments were made into fixed costs for the program to ensure continued success in the future. The goal is to have the program be financially self-sufficient in the next year, with no check-off investment.

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

PRINCE EDWARD ISLAND CATTLE PRODUCERS



\$27,090

Total Provincial Investment

MARKETING AND PROMOTIONS

The Burger It Forward national campaign leveraged the national investments of Canada Beef into a provincial or regional target market, which partnered with burger restaurants to promote Canadian beef burgers. A total of 59,794 burgers were sold nationally, with 1,250 burgers being sold through the PEICP partner Boom Burger, awarding them the fourth highest

total in the country. A 77% increase in restaurant participation was seen over the past year, which indicates the success of the program not only for the beef organizations but delivers value to the foodservice partners as well. There continues to be significant opportunities to leverage national marketing opportunities through provincial investment activations.

PEICP also continued to support the provincial Burger Love campaign but has seen it's role in the program changing as the management of the program has been refocused. With a more minor role as a sponsor, PEICP invested fewer resources in the program this year. They saw 24 burgers at several restaurants across the

province participate in Burger Love, with 20 of 24 being promoted as island beef. The program now allows for other types of burgers in the program, but only four this year elected to promote a non-Island Beef type burger. Atlantic Beef Products Inc. was again a strong PEICP partner in the Burger Love campaign. This was the first year back for the program since the pandemic.

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



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 province's 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 2023/24, MBC delivered on activities under this program, including those listed below.

MARITIME LIVESTOCK PRICE INSURANCE PROGRAM

One of the current limitations affecting the expansion of the Maritime beef herd is the lack of risk management tools available to beef producers. The complexity and risks are increasing as the agricultural industry continues to evolve. 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 has worked to deliver the Maritime Livestock Price Insurance Program and was proud to launch the program to Maritime producers through several efforts. MBC held 18 engagement sessions in person and virtually, with 168 attendees across all events.

ATLANTIC FORAGE FIELD DAY

This event was co-hosted with Agriculture and Agri-Food Canada (AAFC) in Nappan in early August. With 102 participants this year, the agenda included various speakers and sharing of extension resources around grazing and forage topics. AAFC's research, along with the Beef Cattle Research Council (BCRC) resources were a strong focus throughout the event. This extension day continues to provide value to beef producers in Atlantic Canada.

BEEF DAY AT DAL

MBC has recently made the decision to move the annual beef conference to a biennial affair, which opened up an opportunity to partner with Dalhousie University on promoting beef within the

student body through integration with researchers at the University. The first Beef Day at Dal was a successful endeavour and was hosted in partnership with Dalhousie Faculty of Agriculture and Springboard Atlantic. A total of 66 participants representing producers, industry, researchers, students, and extension took part in the event. The morning of the event focused on beef-related research being conducted at Dalhousie University and the University of Prince Edward Island. The afternoon sessions featured the BCRC's ration balancing system CowBytes. MBC showcased the goals of the Council to participants, and Lynsay Beavers from Public and Stakeholder Engagement (PSE) spoke on advocacy and beef consumer statistics. The group then travelled to the Atlantic Stockyards for a Carcass Ultrasound Demonstration, and an overview VBP+ best practices and audit expectations. The day ended with the first screening in Eastern Canada of the short documentary "Reduce, Reuse, Ruminant" which was followed by a discussion around food waste and what is happening on farm as it relates to up-cycling carrots, potatoes, brussels sprouts, and brewers' grains and keeping them out of the landfill.





VEAL FARMERS OF ONTARIO

\$157,521

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. Investing in digital resources and influencer campaigns, VFO continued to drive demand for veal in Ontario and beyond.

The Vealing Delicious e-newsletter arrived bi-weekly to over 2,700 inboxes filled with veal recipes, menu inspiration, cooking

techniques and other targeted information to help consumers add veal to their planned menus. The Ontario Veal Appeal website collaborated during Ramadan and Eid with a micro influencer with a large South Asian follower to encourage veal consumption within the Halal market. Working with the influencer allowed VFO to increase and add diverse content to the recipe library for usage on other platforms and social channels.

VFO expanded its longstanding partnership with Chef Ted Reader, known as Godfather of the Grill, to produce a series of recipes that appeal to novice and intermediate grillers while featuring a variety of readily available veal cuts. They also worked together to create Veal 1010 cooking tip videos that were shared across Chef Reader's and VFO's social channels.

During the holiday season, VFO partnered with three culinary influencers to leverage their followers to reach out to new audiences looking for new recipes to try. Combined with a print campaign and highway billboards, the partnership continues to drive additional value for the investment.

VFO also sponsored Farm and Food Care Ontario's educational bus tours for media and food influencers, as well as one tour targeted to registered dietitians and interns. VFO took part in the tours and delivered a Veal 101 presentation covering everything from animal care to cuts, cooking methods, veal as a healthy and accessible protein choice and more. Partnering with Farm and Food Care allowed VFO to extend their reach to other parts of the industry who directly influence consumers.



Canadian Beef Cattle Research, Market Development and Promotion Agency
Non-consolidated Financial Statements
March 31, 2024



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, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the 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, 2024, 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 21, 2024

MNP LLP

Chartered Professional Accountants

Canadian Beef Cattle Research, Market Development and Promotion Agency

Non-consolidated Statement of Financial Position

As at March 31, 2024

	2024	2023
Assets		
Current		
Cash (Note 3)	7,426,742	8,425,455
Internally restricted cash (Note 12)	4,375,787	3,364,959
Accounts receivable (Note 4)	4,516,397	4,022,671
Prepaid expenses and deposits	95,816	113,470
Due from related party (Note 8)	1,734,774	1,129,999
	18,149,516	17,056,554
Capital assets (Note 5)	1,060,398	1,224,057
Investments (Note 8)	100	100
	19,210,014	18,280,711
Liabilities		
Current		
Accounts payable and accruals (Note 6)	3,428,072	2,656,195
Due to related party (Note 8)	1,873,629	1,373,309
Deferred revenue (Note 7)	250,951	19,844
	5,552,652	4,049,348
Contingencies (Note 13)		
Commitments (Note 10)		
Functional information (Note 17)		
Net Assets		
Unrestricted	8,329,779	8,914,608
Internally restricted (Note 12)	4,375,787	4,364,959
Consolidation reserve (Note 12)	951,796	951,796
	13,657,362	14,231,363
	19,210,014	18,280,711

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Non-consolidated Statement of Operations

For the year ended March 31, 2024

	2024	2023
Revenues		
Canadian Beef Check-Off Agency:		
Domestic beef check-off (Note 14)	19,578,992	19,586,511
Import levies	1,269,638	1,185,219
Other income	527,512	274,262
	21,376,142	21,045,992
Marketing:		
Government of Canada - Sustainable Canadian Agriculture Partnership	1,906,887	1,714,665
Government of Alberta	111,011	275,577
Amortization of deferred capital contributions (Note 9)	-	203,657
	2,017,898	2,193,899
Total revenue	23,394,040	23,239,891
Expenses		
Canadian Beef Check-off Agency:		
Marketing Committee	83,981	45,298
Board of Directors	168,947	168,758
Canadian Beef Check-Off operations	749,898	643,420
	1,002,826	857,476
Programs:		
Public Stakeholder and Engagement (Note 17)	1,031,657	1,055,386
Marketing - Generic Beef (Note 15)	855,418	1,258,103
Marketing - Branded (Note 15)	13,185,281	11,942,196
Research	4,689,238	4,709,338
Provincial investment (Note 14)	1,934,373	2,182,165
Provincial portion of the Federal Levy	1,269,248	1,286,924
	22,965,215	22,434,112
Total expenses	23,968,041	23,291,588
Deficiency of revenue over expenses	(574,001)	(51,697)

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Non-consolidated Statement of Changes in Net Assets

For the year ended March 31, 2024

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Consolidation Reserve</i>	2024	2023
Net assets, beginning of year	8,914,608	4,364,959	951,796	14,231,363	14,283,060
Deficiency of revenue over expenses	(584,829)	10,828	-	(574,001)	(51,697)
Net assets, end of year	8,329,779	4,375,787	951,796	13,657,362	14,231,363

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Non-consolidated Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(574,001)	(51,697)
Non-cash recognition of deferred capital contributions	-	(203,657)
Amortization (Note 5)	228,910	219,438
Loss on disposal of capital assets (Note 5)	9,663	318,858
	(335,428)	282,942
Changes in working capital accounts		
Accounts receivable	(493,726)	985,914
Prepaid expenses and deposits	17,654	430,069
Accounts payable and accruals	771,877	(974,360)
Deferred revenue	231,107	(282,460)
Due from related party	(604,775)	(458,187)
Due to related party	500,320	475,540
	87,029	459,458
Investing		
Purchase of capital assets	(74,914)	(1,325,392)
Proceeds on disposal of capital assets (Note 5)	-	25,409
Increase (decrease) in cash resources	12,115	(840,525)
Cash resources, beginning of year	11,790,414	12,630,939
Cash resources, end of year	11,802,529	11,790,414
Cash resources are composed of:		
Unrestricted cash	7,426,742	8,425,455
Internally restricted cash total (Note 12)	4,375,787	3,364,959
	11,802,529	11,790,414

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

1. Incorporation and nature of the agency

Canadian Beef Cattle Research, Market Development and Promotion Agency operating as Canadian Beef Checkoff 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, 2024, 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, 2024, 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, 2024.

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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	10 years
Office equipment	5 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.

In May of 2022, the Agency began collecting Pork Import Levies on behalf of the Canadian Pork Promotion-Research Agency. The Agency recognizes a pre-agreed amount as an administrative recovery fee, payable by the Canadian Pork Promotion Research Agency, as revenue. The levies due to the Canadian Pork Promotion Research Agency are recognized in accounts receivable, accounts payable, and net to zero. No pork levy is included in the Agency's revenue and expenses.

Deferred contributions related to capital assets

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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

Measurement uncertainty (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.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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

	2024	2023
Check-Off	3,127,644	2,900,923
Government of Canada - Sustainable Canadian Agriculture Partnership	1,060,545	903,980
Import levies	179,133	182,673
Other	72,548	19,945
Loan to New Brunswick Cattle Producers	9,595	15,150
Government remittances	66,932	-
	4,516,397	4,022,671

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>	<i>2023 Net book value</i>
Computer equipment	14,658	8,678	5,980	3,371
Computer software	166,686	138,929	27,757	37,751
Furniture and fixtures	183,302	180,573	2,729	6,327
Leasehold improvements	918,745	210,378	708,367	798,379
Office equipment	515,615	202,102	313,513	375,229
Kitchen equipment and appliances	77,497	76,357	1,140	1,784
Website and logo	46,692	45,780	912	1,216
	1,923,195	862,797	1,060,398	1,224,057

Amortization of \$228,910 (2023 - \$219,438) is included in Canadian Beef Check-off Agency operations and marketing program expense captions for the year ended March 31, 2024.

During the year, assets were disposed of for \$nil (2023 - \$25,409) resulting in a loss of \$9,663 (2023 - \$318,858).

6. Accounts payable and accrued liabilities

	<i>2024</i>	<i>2023</i>
Check-off transfers	1,284,480	1,157,356
Trade accounts payable	1,616,668	1,141,596
Government remittances payable	21,378	17,652
Accrued liabilities	505,546	339,591
	3,428,072	2,656,195

7. Deferred revenue

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

	<i>2024</i>	<i>2023</i>
Balance, beginning of year	19,844	302,304
Amount received during the year	1,145,267	-
Less: Amount recognized as revenue during the year	(914,160)	(282,460)
Balance, end of year	250,951	19,844

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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 \$nil (2023 - \$5,594) for contract services expenses and \$nil (2023 - \$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, 2024, \$1,734,774 was due from the Institute as a reimbursement (2023 - \$1,129,999). 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, 2024 are summarized as follows:

	2024	2023
Total assets	2,233,559	1,655,561
Total liabilities	1,713,253	1,132,499
Total net assets	520,306	523,062
Total liabilities and net assets	2,233,559	1,655,561
Total expenses	2,756	2,756
Deficiency of revenues over expenses	2,756	2,756
Increase in cash	74,927	(22,795)

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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, 2024, \$1,873,629 (2023 – \$1,373,309) 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, 2024 are summarized as follows:

Total assets	1,873,629	1,373,314
Total liabilities	1,879,890	1,376,819
Total deficit	(6,361)	(3,605)
Total share capital	100	100
Total liabilities and retained earnings	1,873,629	1,373,314
 Total expenses	 (2,756)	 (2,756)
Deficiency of revenues over expenses	(2,756)	(2,756)
 Decrease in cash	 (5)	 (70)

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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. No deferred capital contributions were recognized following the completion of the project in fiscal year-ended March 31, 2023.

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:

	2024	2023
Balance, beginning of year	-	203,657
Less: Amounts recognized as revenue during the year	-	(203,657)
	-	-

10. Commitments

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

2025	227,876
2026	179,709
2027	126,127
2028	113,180
2029	113,180
Thereafter	18,863
	<u>778,935</u>

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:

2025	61,209
2026	39,193
2027	11,930
	<u>112,332</u>

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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, 2024, the following items are denominated in foreign currency:

	2024	2023
	CAD	CAD
Cash	33,931	46,628
Accounts receivable	47,701	104,856
Accounts payable	162,439	195,519

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, 2024, the Board of Directors of the Agency internally restricted cash reserve amounted to \$4,000,000 (2023 – \$3,000,000) for the event of any future wind-down. In addition, \$375,787 (2023 - \$364,959) is held by the Agency as restricted net assets, for total restricted net assets of \$4,375,787 (2023 – \$4,364,959).

(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.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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.

	2024	2023
Collections		
Cattle Industry Development Council (British Columbia)	981,952	764,852
Alberta Beef Producers	10,622,595	10,367,061
Saskatchewan Cattlemen's Association	3,761,019	3,950,678
Manitoba Cattle Producer's Association	1,489,518	1,594,595
Beef Farmers of Ontario	893,711	928,461
Les Producteurs de bovins du Québec	1,468,481	1,623,296
New Brunswick Cattle Producers	57,473	62,297
Nova Scotia Cattle Producers	69,794	65,768
Prince Edward Island Cattle Producers	69,049	71,518
Ontario Veal	165,400	157,985
Total collections	19,578,992	19,586,511
Less: Agency administration fee	(804,957)	(801,816)
	18,774,034	18,784,695
Distributions		
Manitoba Cattle Producer's Association	85,088	90,636
Beef Farmers of Ontario	352,875	434,881
Les Producteurs de bovins du Québec	1,227,484	1,401,056
New Brunswick Cattle Producers	38,492	40,185
Nova Scotia Cattle Producers	45,823	43,485
Prince Edward Island Cattle Producers	27,090	23,061
Ontario Veal	157,521	148,861
	1,934,373	2,182,165

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.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

15. Marketing (Operations & Market Development Programs)

	2024	2023
Market Development - North America		
Canada market development	4,817,943	4,240,080
Market Development - Global Markets		
China	233,208	264,246
Emerging Markets	158,399	171,619
Japan	796,379	814,882
Korea	428,987	341,087
South East Asia	437,175	330,314
Latin America	644,962	725,365
Global Markets	1,313,482	1,316,120
Canadian Beef Centre of Excellence	647,938	219,222
	4,660,531	4,182,855
Total Marketing - Market Development Programs	9,478,429	8,422,935
Operations (Canada)		
Amortization	219,703	210,429
Bank charges and interest	8,413	10,007
Computer maintenance and supplies	72,741	55,434
Consulting, legal and audit	24,808	41,134
Licenses and subscriptions	38,561	22,098
Office and meeting	101,621	81,992
Recruitment and training	43,394	25,431
Rent and lease payments	309,554	314,120
Salaries and benefits	2,990,700	2,554,490
Sponsorship and donations	100	206
Travel and insurance	196,541	147,697
Utilities	38,556	33,254
Loss on fixed asset disposal	9,493	318,858
	4,054,185	3,815,150

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

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

	2024	2023
Operations (Foreign)		
Amortization	6,645	7,565
Bank charges and interest	2,854	3,030
Computer maintenance and supplies	13,896	11,364
Consulting, legal and audit	57,061	69,506
Foreign exchange gain	7,790	(5,062)
Licenses and subscriptions	8,895	11,306
Office and meeting	57,898	67,051
Rent and lease payments	155,958	171,002
Salaries and benefits	642,744	674,641
Travel and insurance	6,857	5,012
Utilities	18,047	16,485
Consumption tax recovery	(74,828)	(79,814)
Gain/(Loss) on Fixed Assets Disposal	170	-
	903,986	952,086
 Total Marketing - Operations	 4,958,172	 4,767,236
 Total Marketing - Operations & Market Development Programs	 14,436,645	 13,190,171
Allocation of funds:		
Marketing - Generic Beef	855,418	1,258,103
Marketing - Branded	13,185,281	11,595,095
Marketing - PSE	311,965	308,625
Marketing - Committee	83,981	28,348
	14,436,645	13,190,171

16. Comparative figures

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

17. 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.

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2024

17. Functional information (Continued from previous page)

Statement of Financial Position

	Marketing	Transfers (i)	Agency	Transfers (i)	2024
Assets					
Current assets:					
Cash	\$ 6,309,364	\$ —	\$ 1,117,378	\$ —	\$ 7,426,742
Internally restricted cash	4,000,000	(4,000,000)	4,375,787	—	4,375,787
Accounts receivable	3,226,674	(2,099,842)	3,427,365	(37,800)	4,516,397
Prepaid expenses and deposits	92,343	—	3,473	—	95,816
Due from related party	1,853,275	(118,501)	—	—	1,734,774
	\$ 15,481,656	(6,218,343)	8,924,003	(37,800)	18,149,516
Capital assets (note 5)	1,054,418	—	5,980	—	1,060,398
Investment (note 2(a))	100	—	—	—	100
	\$ 16,536,174	\$ (6,218,343)	\$ 8,929,983	\$ (37,800)	\$ 19,210,014
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,009,006	\$ (37,800)	\$ 3,556,708	\$ (2,099,842)	\$ 3,428,072
Internally restricted cash	—	—	4,000,000	(4,000,000)	—
Due to related party	1,873,629	—	118,501	(118,501)	1,873,629
Deferred revenue	250,951	—	—	—	250,951
	\$ 4,133,586	(37,800)	7,675,209	(6,218,343)	5,552,652
Net assets:					
Unrestricted	7,450,792	—	878,987	—	8,329,779
Internally restricted	4,000,000	—	375,787	—	4,375,787
Consolidation reserve	951,796	—	—	—	951,796
	12,402,588	—	1,254,774	—	13,657,362
	\$ 16,536,174	\$ (37,800)	\$ 8,929,983	\$ (6,218,343)	\$ 19,210,014

(i) Transfers reflect adjustments required to eliminate inter-functional transactions. For description of each functions' responsibilities, refer to previous discussion in note 17 (a) and (b).

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

Canadian Beef Cattle Research, Market Development and Promotion Agency

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2024

17. Functional information (Continued from previous page)

Statement of Operations

	Marketing	Transfers (i)	Agency	Transfers (i)	2024
Revenue:					
Canada Beef Check Off Agency:					
Domestic Beef Check-Off:	\$ —	\$ —	\$ 19,578,992	\$ —	\$ 19,578,992
Transfers from Agency					
Marketing	9,976,230	(9,976,230)	—	—	—
Public and Stakeholder Engagement	239,897	(239,897)	—	—	—
Import levies	1,207,027	(1,207,027)	62,611	1,207,027	1,269,638
Other income	407,288	—	120,224	—	527,512
	11,830,442	(11,423,154)	19,761,827	1,207,027	21,376,142
Government of Canada – SCAP	1,906,887	—	—	—	1,906,887
Government of Alberta	111,011	—	—	—	111,011
	2,017,898	—	—	—	2,017,898
	13,848,340	(11,423,154)	19,761,827	1,207,027	23,394,040
Expenses:					
Canada Beef Check Off Agency:					
Marketing Committee	83,981	—	—	—	83,981
Board of Directors	—	—	168,947	—	168,947
Canadian Beef Check-Off Agency Operations	—	—	749,898	—	749,898
	83,981	—	918,845	—	1,002,826
Programs:					
Public and Stakeholder Engagement	311,965	—	959,589	(239,897)	1,031,657
Transfers to Marketing	—	—	9,976,230	(9,976,230)	—
Marketing—					
Generic Beef	855,418	—	—	—	855,418
Branded	13,185,281	—	—	—	13,185,281
Research	—	—	4,689,238	—	4,689,238
Provincial investment	—	—	1,934,373	—	1,934,373
Provincial portion of the Federal Levy	—	—	1,269,248	—	1,269,248
	14,352,664	—	18,828,678	(10,216,127)	22,965,215
	14,436,645	—	19,747,523	(10,216,127)	23,968,041
	(\$ 588,305)	\$ (11,423,154)	\$ 14,304	\$ 11,423,154	(\$ 574,001)

(i) Transfers reflect adjustments required to eliminate inter-functional transactions. For description of each functions' responsibilities, refer to previous discussion in note 17 (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

