

Canadian Beef Check-Off Agency

This past year as the Chair of the Agency, I have witnessed our organization hit its full stride and take hold of the matters important to producers. It is our job to oversee the check-off administration and investments on behalf of Canadian beef producers and I can confidently say that I am proud of what these investments continue to accomplish.



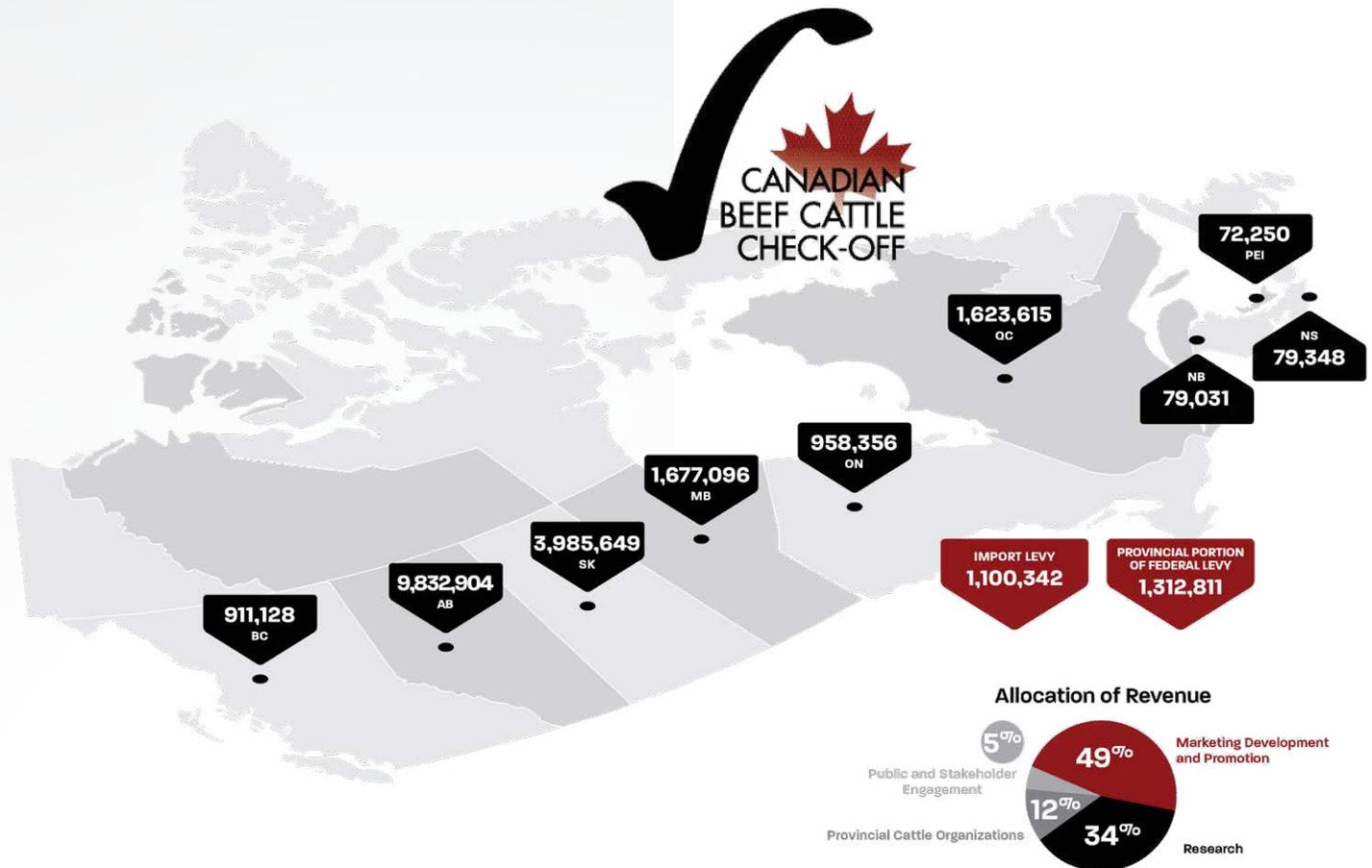
Chad Ross, Chair, Canadian Beef Check-Off Agency

In 2019/20 the Canadian Beef Cattle Check-Off invested into national programs was \$17,906,566 from cattle marketed across Canada.

Of the total check-off funds collected, net administration, 49 per cent was allocated to market development and promotion, 34 per cent to research, 12 per cent was retained by the provincial cattle organizations for regional marketing and research programs and five per cent was allocated to Public and Stakeholder Engagement.

The Import Levy on beef cattle, beef and beef products imported into Canada was also collected at a rate of \$1 per head equivalent, for a total of \$1,100,342. These funds, net administration, are allocated to unbranded, generic beef marketing such as nutrition marketing, recipe development and culinary skills education.

With a record amount of check-off being collected this year, I know that we have an important job to do. The check-off investments made to research, marketing and public and stakeholder engagement need to make a measurable difference to the industry and help our beef and veal producers see valuable returns.



The Agency's operations and administration expenses totaled \$718,870, which included both our Agency Board of Directors and the Marketing Committee. It is up to our Agency Board to ensure that the dollars are invested into programs and strategies that will make a difference today, tomorrow and down the road. This includes our own administration and programming expenses too.

We spent time on some of our regulatory framework this year, reviewing the Proclamation under which we operate.

We worked with our provincial partners to ensure that the framework continued to allow us the freedom to provide the best possible value for Canadian beef and veal producers.

The Agency was pleased to enter into agreements with the Veal Farmers of Ontario. The agreements strengthen Canadian veal marketing as a part of the larger Canadian veal marketing initiative, while adding an additional levy collector to the provincial cattle associations across the country.

We also targeted compliance on check-off and import levy collections this year. The federal levy on interprovincial marketing was targeted for inspections on auction markets and dealers with the focus on education and understanding levy remittances. Another component of that was working with all of our provincial association partners on check-off collection and remittance training, to help us all work together to increase compliance, reduce slippage and have a consistent level of base knowledge across the country.

The Agency took a more strategic approach to import levy collections and has been able to hold the amount of uncollectable levies to approximately five per cent of total import levy receivables. This has been a monumental task for the Agency, reviewing over 200 invoices per month, and dedicating special attention to hundreds of companies to ensure timely payments and help them understand the ins and outs of the levy.

The Agency's website traffic grew through the year, with a total of 5,333 unique users visiting the site. The site, along with the Agency's social media channels increased reach to producers to new audiences, focusing on young producers. Our following grew on all channels, and we continue to try and communicate effectively with you – our most important stakeholders – in as many ways as we can.

The Agency's Board was committed to transparent governance and to developing strong policies to govern the Agency. The strengthened policy manual and the work done on succession planning and business continuity this year will help guide the Agency now and as the industry



grows and transforms. By working with board members who have the interest and skills to grow their leadership roles at the Agency, the Board is able to plan for the future and ensure a sustainable leadership model.

We were able to have our Marketing Committee fully functional for its second year. The group is incredibly dedicated and producers can rest assured that this committee has their best interests at heart. The Committee operated at arm's length from the Agency, while guiding the strategic direction of Canada Beef, the organization investing check-off dollars into market development and promotion. The Committee ensured continued separation from the Agency administration, and clear lines of governance and communication.

The year of 2020 has brought some incredibly difficult times for our industry, and I know that there have been many sleepless nights and difficult conversations by producers and industry partners alike about the future of our industry. In light of that, I want to assure you that our Agency, and all those who invest check-off dollars on your behalf, have been working incredibly hard to do what's right for the Canadian beef industry.

And while things might look different for the foreseeable future in so many ways, rest assured that we continue to focus on the best interests of our Canadian beef and veal producers every single day.

To all of you who represent our industry - thank you. Thank you for continuing to provide food to Canadians and the world, and for being dedicated to what you do. It is your dedication and passion for our industry that makes this job so rewarding.

Regards,

Chad Ross
Chair, Canadian Beef Check-Off Agency

