



ONTARIO VEAL ASSOCIATION

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PROVINCIAL MEAT INSPECTION REVIEW SUBMISSION

OVA Structure and Organization:

The OVA was incorporated in 1990 under the Agricultural and Horticultural Organizations Act in Ontario, thereby replacing previous organizations whose interests were specific to the grain fed and milk fed sectors.

The OVA is responsible for all projects and issues relating to veal. This includes producer education, market information, research, marketing and promotion, communications, consumer education, and government and industry liaison. The OVA has also endeavoured to work more closely with our other industry partners including those organizations within the red meat and livestock sectors.

Currently, veal producers pay the mandatory \$2.25 check-off on every head of veal sold that is collected by the Ontario Cattlemen's Association under the authority of the Beef Cattle Marketing Act. The OVA is currently in the process of creating a separate organization with regulatory powers under the Farm Products Marketing Act.

Veal Industry Overview:

- Ontario and Quebec represent 95% of Canada's veal production
 - Ontario produces approximately 40%, Quebec 55%, and the remaining 5% is scattered between Alberta and British Columbia
- There are approximately 100,000 veal calves produced in Ontario annually
- The Ontario veal industry contributes approximately \$450 million into the provincial economy through the purchase of supplies, services and equipment
- The Ontario veal industry can be divided into two sectors: grain fed and milk fed veal
 - Grain fed veal represents 70% of the total veal production in Ontario with the remaining 30% being milk fed veal
 - Prior to May 20th, almost 75% of the milk fed veal produced in Ontario were destined for export markets. Less than 5% of grain fed was exported.
- There are approximately 240 voluntary members of the Ontario Veal Association
 - Almost 95% of OVA members are grain fed veal producers due to vertical integration of the milk fed sector
- Approximately 70% of Ontario's veal is processed in provincially inspected plants with the remaining 30% processed in federally inspected plants or exported to the US
 - The majority of provincially processed veal is grain fed veal
- Veal's share of the Canadian red meat production accounts for approximately 2%
- Approximately 90% of Ontario's veal is sold to retailers with 75% of these retailers being specialty stores, butchers, and independent grocers, with the remaining 10% destined to foodservice and further processors.
- The average veal farm size in Ontario is approximately 175 grain fed calves or 400 milk fed calves.
 - Relatively few veal producers are considered full time. Most veal producers also hold off-farm employment or produce other commodities on their farm.

Ontario Veal Slaughter Statistics:

	Provincial	Federal	Total	Provincial as %
1998	69,651	71,338	140,989	49%
1999	67,891	63,734	131,625	52%
2000	62,985	53,286	116,271	54%
2001	51,607	57,949	109,556	47%
2002	56,035	16,351	72,386	77%
2003	56,314	31,283	87,597	64%

In order to better understand these numbers, the milk fed and grain fed sectors of the Ontario veal industry must be taken into account. The OVA suggests that 2002 is perhaps the most representative year in terms of where veal slaughter occurs and the high level of dependence that the Ontario veal industry has on the provincial packers.

In 2002, Ontario's largest federal veal packer, who is also a vertically integrated company with corporately owned veal calves, closed their federal slaughter facilities in Cambridge in favour of their other slaughter plants in Quebec and the United States. 2003 numbers are skewed due to the outbreak of BSE since no live veal calves have been able to cross the Canada-US border.

OVA Response to Provincial Meat Inspection Review:

The OVA supports the government's decision to review the provincial meat inspection system in light of recent events that have escalated consumer concerns and perceptions regarding the safety of their food supply.

- Ontario veal producers rely heavily on provincially inspected slaughter facilities for the processing of veal.
 - Almost 70% of the veal produced in Ontario is processed in provincial plants
 - Almost 90% of this veal is grain fed veal
 - From this, most veal is sold to the retail sector through independent grocery stores, butcher stores, and specialty stores.
- Federal slaughter capacity is extremely limited for Ontario veal producers
 - There is currently one federal plant processing some Ontario veal (also process beef and lamb).
 - Ontario's only dedicated veal slaughter plant, which processed mostly corporately owned livestock, closed in 2002 in order to maximize efficiencies with other company plants in Quebec and the US
 - Other federal packers appear to be dedicated facilities to either beef or pork
 - There may be opportunities with the opening of the old MGI plant in Kitchener, however, with BSE and the processing of cull cows an issue, there may be limitations to veal slaughter given the necessary protocols.
- The Ontario veal industry must remain viable through continued market access
 - Ontario's top three grocery retailers already have policies in place for the procurement of product from federally inspected establishments.
 - Ontario's grocery industry is continuing to face consolidation with the top three companies purchasing most of the independent chains.
 - This is putting continued pressure on the provincial plants to retain market share.
- Ontario veal producers have placed food safety and product quality as one of the top priorities for the veal industry
 - Consumer confidence is of a paramount concern to Ontario veal producers.

- The OVA is very proud to have implemented one of Ontario's few true "field to fork" programs with the voluntary *Ontario Veal Quality Assurance Program* (OVQAP), an on-farm HACCP based food safety and product quality program initiated by Ontario veal producers
 - Components also include protocols for the packer, retailer and consumer, which culminate with the *Certified Ontario Veal™* retail program. This is one of North America's first branded veal retail program and has been extremely successful
 - Packers must adhere to the OVQAP Packer Protocol in order to ensure the integrity of the program for all partners.
- Ontario veal producers must have competitive pricing from a healthy, vibrant and robust packing sector.
- Currently, the Ontario veal market is domestic in nature. The main market for veal is centered in the Greater Toronto Area
 - Almost 85-90% of the total veal slaughter is done by only 7-10 plants
 - Approximately 50% of Ontario's veal producers would ship their calves directly to a packer while the other 50% would sell their calves through local sales barns
- Ontario veal producers believe that meat inspection is a public good with the purpose of ensuring a safe food supply for the citizens of Ontario.
- A vibrant inspection system that will withstand the test of scrutiny must be adequately funded by government.
 - Consumers have placed food safety as a top priority and expect their government to ensure a safe food supply for their families. Consumers, through their tax base, should also be expected to bear the costs of such a system.
 - Consumers should consider a food tax that would be placed on all food items in order to help fund food safety programs such as meat inspection, BSE and residue testing, and on-farm auditing.
 - Ontario consumers enjoy both high quality and relatively low cost food. No longer can producers continue to keep bearing the cost of new standards. Producers cannot bear any increased cost to meat inspection.
 - There should be a provincial standardization of inspection for all plants that handle meat products. All meat inspection would come under one provincial jurisdiction rather than the both municipal and provincial for either processing or slaughter.
 - Standardization of inspection would also mean that the on-farm slaughter would no longer be an acceptable means of processing livestock, regardless of whether the product is for "own use".
 - Plant operators must have access to financial resources that will allow the necessary capital improvements in order to comply with either federal standards or new provincial standards.
- An enhanced method of animal identification and product traceability must be introduced to all slaughter facilities operating in Ontario regardless of the level of inspection.
- Packers, producers, and retailers must have the capability trace all products through the entire food supply chain.

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