



Benchmarking Study Identifies Challenges, Opportunities for Ontario Veal Industry

By Lilian Schaer

Shipping lighter calves, participating in an on-farm quality assurance program, and development of an Ontario-branded veal program at retail are some of the key recommendations stemming from a benchmarking study Veal Farmers of Ontario conducted last year in conjunction with Mallot Creek Strategies, a consultant firm based in Fergus, Ontario.

As part of the project, five Ontario veal processors (four provincially inspected and one federally inspected) were visited for onsite cooler and slaughter audits, and lengthy in-person interviews were conducted with four processors as well as meat buyers from four major Canadian retail chains.

The study was a repeat of work conducted in 2002.

The packer perspective

A commonly voiced concern in the new study centres on slowing demand for veal. Federal slaughter data is down dramatically with no signs of increase (a drop of 21 per cent is reported from 2013 to 2014 alone), and overall veal sales and consumption are both lower.

Statistics from the Ontario Ministry of Agriculture, Food and Rural Affairs show that per capita consumption of veal in Canada has declined from 1.05 kg in 2005 to 0.9 kg in 2014. Ethnic markets that in the past have purchased high volumes of veal are becoming more niche and the lack of federally inspected processing capacity limits export opportunities.

At the same time, the reported average carcass weight in Ontario has been steadily increasing over the last decade and processors report concerns over lack of consistency in carcass weight and colour. Approximately 30 per cent of calves in the study were found to be overweight in 2015, compared to 23 per cent in 2002. Carcasses over 396 lb. are sold as ungraded beef, a weight limit that is now more strictly enforced than it was during the previous study. For processors, there is no potential for growth in the ungraded beef market and each veal calf sold as ungraded beef results in a lost check-off opportunity for Veal Farmers of Ontario.

Overall, processors reported wanting smaller calves in Ontario – 550 lb. live weight animals from producers compared to the average live animal weight of 727 lb. found in the study – and wanting producers to ship consistent weights and use scales on-farm.



On average, the study found that 65 per cent of calves are shipped directly to a processor without going through an auction facility, and none of the interviewed packers reported purchasing Quebec calves, preferring instead to buy Ontario raised animals. This is a significant change from 2002, when processors reported significant slaughter of calves originating from Quebec.

The cooler and slaughter audits showed a high prevalence of pneumonia each season, with cases of abscessed/parasitic livers and petechial hemorrhaging being quite common. Injection site blemishes were reported as low, as they were in 2002, and carcass condemnations due to residues were also low.

Lean colour distribution was high in 2015, with 96.8 per cent of calves considered acceptable or borderline acceptable. A commonly mentioned problem in 2002 had been two-tone calves, but this was not mentioned at all in the 2015 study, which is an improvement for the industry.

To determine conformation, carcasses were examined for negative characteristics like prominent hip points, loins with depressions on both sides of the dorsal processes, sparsely covered spinous processes of the rack, and prominent shoulders. Degree of hip muscling, muscling

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and width of sirloin, loin and shoulders, and how loin width was carried down the carcass to the shoulders and neck were also evaluated to help establish a conformation grade for each carcass. A carcass with zero deficiencies is rated as very good; no more than two of the above negative characteristics results in a good, and a poor carcass is one with three or four of these negative characteristics.

The vast majority of carcass conformations were reported as good or very good in 2015, with poor conformations attributed to carcass damage after slaughter. By comparison, less than one per cent of carcasses were deemed as very good in 2002, and great inconsistency was reported in that previous study.

Overall, the new study found an annual loss to the veal industry of \$31.95 per head or \$1.63 million as a result of condemnations and general defects. Due to stricter enforcement of weight levels, the cost of overweight calves is higher now than in 2002, whereas losses caused by dark cutters (calves that are stressed) are now much lower than they were in 2002.

Retail results

According to the retail meat buyers interviewed for the study, colour was consistently the most important factor impacting sales of veal at retail. This includes colour being too dark, lack of uniform colour, or two-tone colour of the meat. Conversely, they reported quality, colour and price as the key reason consumers buy veal, making the colour issue an important one to address.

HACCP and on-farm food safety are assumed and considered a given by consumers; shelf life was also mentioned as very important. A key issue with consumers is lack of knowledge around veal preparation, and although some concerns are raised about production methods, welfare is not yet being reported as a prominent consumer demand, although they expect it will become one and encourage the industry to prepare for this.

Being able to promote veal as local or Canadian is also important, but something they're not currently able to do due to lack of branding.

Conclusions and recommendations

- Many veal producers find it unprofitable to send lighter calves to market, and more heavy and overweight calves are coming to market all the time. This results in greater deductions for calves sold as ungraded beef instead of veal – a meat processors find hard to sell – and a loss in checkoff dollars to Veal Farmers of Ontario. Producers should consider tracking calf weights on-farm to ensure they're not shipping overweight animals, and work with processors to discourage or control intentional marketing of overweight calves.
- Calves overall are healthy, but dark cutters, and inconsistencies in weight and carcass conformation lead to economic losses of almost \$32 per head. Producers should identify causes of injury or stress to calves and take steps to minimize or avoid them.

- Consumers assume that an on-farm food safety program is in place for veal but although such a program – the Verified Veal Program – exists and is nationally recognized, there are no Ontario producers currently registered in it.
- Retailers should more strongly communicate the need for smaller, more consistent carcass size.
- There is a willingness among shoppers to buy Canadian and among retailers to promote Canadian, but there is currently no recognizable brand in place to help achieve that. Retailers and processors should work together with producers to develop and promote a branded veal program.

More information is available from Veal Farmers of Ontario at www.ontarioveal.on.ca.

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