



FACTSHEET: VFO Licence Fee Questions & Answers

What is the amount of licence fee/check-off we need to collect on the sale of veal cattle?

\$5.50/head and is to be remitted to VFO.

This is being implemented as:

- Licence fees for ALL dairy bob calves will be directed to VFO (regardless of how they were sold). It doesn't matter if they go into a veal or beef program, all bob calf licence fees are remitted to VFO.
 - Please do not send any licence fees on dairy bob calves to Beef Farmers of Ontario (BFO). ALL dairy bob calves are to be remitted directly to VFO including dairy bob calves originating in Quebec but were sold in Ontario.
- Licence fees for ALL veal cattle sold by veal producers direct to slaughter will be directed to VFO, regardless if they grade as veal or not (this includes both milk-fed and grain-fed veal)

Who do I send my licence fees (check-off) to?

Veal licence fees (check-off) will be sent to:

Veal Farmers of Ontario
449 Laird Rd, Unit 12, Guelph, Ontario, N1G 4W1

Where do I obtain the check-off remittance forms?

Check-off remittance forms for veal can be found on VFO's website at www.ontarioveal.on.ca

You will need to complete both Form 4 and Form 5 every time when remitting licence fees.

What information do I need to send with the check-off remittance?

As part of the VFO's regulations, you are required to remit producer data (name, full address, class of veal cattle) that corresponds to each seller of veal cattle. This information is collected on *Form 5 List of Veal Cattle Sellers Information Report*. Form 5 must be complete and submitted each time. If you have challenges in collecting this information, please contact the VFO office to discuss.

Do I get a reporting commission for completing the paperwork and remitting on time?

Yes. VFO has implemented a 2.5% reporting commission. The total reporting commission is determined by calculating 2.5% of the total gross licence fee before HST.

I buy bob calves from a number of local farms. What do I need to do?

If you purchase bob calves directly from another farmer (e.g. Dairy farmer) this is called a "private treaty" sale. The \$5.50/head must still be deducted from these calves. It is the responsibility of both the buyer and the seller to ensure that licence fees are deducted and remitted to VFO. That does not mean that the calves are paid on twice, but that both the buyer and the seller have the equal responsibility so it will be important that you determine which one of you will remit. As the buyer, and the farmer who is finishing the veal cattle, you may decide to remit on behalf of your calf suppliers. You would deduct the \$5.50/head VFO licence fee from your purchase price and remit the sellers information on Form 5 since you are remitting it on their behalf. This is a similar process to what was required under the Beef Cattle Marketing Act (BCMA) when the funds were remitted to the BFO, however, now the funds will come directly to VFO and used to support veal cattle priorities.

Updated: August 2020

Why do I need to complete Form 5 for bob calves purchased private treaty from dairy farmers?

Essentially, you are remitting the \$5.50/head on behalf of the farmer from whom you purchased the calves. Therefore, these farmers are also members of VFO and are entitled to receive all the same communications, benefits and information about the VFO.

I buy bob calves from a sales barn. What do I need to do?

The sales barn will have deducted the \$5.50/head licence fee on behalf of the seller, therefore, you are not required to do anything more on this transaction.

I buy bob calves as a dealer but some of the calves are going into a beef program. Do I still pay VFO?

Yes. Regardless of whether the bob calves are being put into a veal or beef program, VFO licence fees are to be remitted on all bob calves as per the regulation.

I buy bob calves in Ontario and some of them are sent to Quebec. Do I still owe VFO licence fees?

Yes. Because you have bought and assembled the calves in Ontario, the VFO licence fees are still owed regardless of where the calves are being shipped to.

I buy bob calves in Quebec and then sell them in Ontario, where do I remit the licence fees?

The licence fees are to be remitted in the province they are sold at the rate of the province the calves were born in. For example, if a calf was born in Quebec and bought by an Ontario dealer the licence fees will be remitted to VFO at the Quebec provincial rate of \$5.04. VFO will then remit the provincial levies to the Canadian Beef Check-Off Agency for distribution. These calves are not eligible for the Seven Day Dealer exemption.

I sell finished veal at my sales barn operation. Who do I send the check-off to?

Live finished veal cattle are not considered veal at the time of sale and therefore the check-off will be remitted to BFO. This is an issue that VFO will review and try to amend.

I sell finished veal directly to a packer/processor. What do I need to do?

Your packer/processor will be responsible for deducting the \$5.50/head on all veal cattle that they purchase from you and remit to the VFO on your behalf. This process for the packers has not changed from when BFO was collecting check-off.

I sell pre-conditioned/started calves. What do I need to do?

At this time, VFO is not able to collect licence fees on these live sale transactions because it does not fall into the definitions as prescribed by the regulations. However, this is an area that the VFO will be including in the review process. When the bob calves were purchased, VFO licence fees of \$5.50/head should have been remitted by either the seller or yourself as the buyer.

I do not buy enough calves every month to remit every month. Are there other options?

Yes. VFO staff will work with you to determine the most effective reporting period based on your volume. It is possible to remit quarterly. Please contact VFO office to discuss.

Is there an exemption on 'custom slaughter'?

No there is no exemption. Licence fees are due on veal cattle that may also be processed on a custom basis.

Can the Veal Farmers of Ontario process payment electronically?

No, not at this time. The VFO will communicate directly with industry partners to evaluate the needs of various types of services in order to enhance and enable remittance of licence fees.

Is there a Seven Day Dealer Exemption on the sale of male dairy calves?

Yes. There is an exemption that applies to a licenced livestock dealer who sells veal cattle within seven business days of having purchased them provided the cattle are purchased and sold in Ontario. The livestock dealer may apply to the VFO for a rebate with proper documentation including a completed Form 6. This exemption mirrors what is already provided by BFO under the BCMA.

Will HST be charged on the veal check-off?

Yes. VFO Licence fees are subject to 13% HST.

Does VFO have a Privacy Policy?

Yes. VFO maintains a very strict privacy policy that is designed to protect personal information collected under regulations. Membership lists are not shared with anyone including board members, private companies, etc. and are used solely for the purposes of conducting business of the organization.

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