

AUTHORIZATION REQUEST FOR FY 2022

CBB Budget Category: **Industry Information**

Name of Contractor: **North American Meat Institute**

Name of Organization Subcontracting:

Start Date: **10/1/2021**

End Date: **9/30/2022**

AR OVERVIEW

AR Purpose and Description:

Veal Quality Assurance:

Quality assurance programs have become commonplace for all food-producing enterprises to help build consumer confidence that food is ethically and responsibly produced. The Veal Quality Assurance (VQA) program is designed to ensure dairy beef animals that are raised and marketed **specifically for veal** are raised in a manner that ensures optimal health and welfare. The supply chain including consumers, chefs and food influencers have an expectation for meat that is safe, high-quality and responsibly produced. VQA enables veal farmers who contribute to the Beef Checkoff to help meet this expectation. Furthermore, VQA is ethically good for the animal, the farmer, the supply chain and the consumer.

As reported by Midan Marketing online April 2, 2021 in the Shelby Report:

“In the age of endless information, transparency has become a key issue for consumers, especially younger generations. According to Mintel, 74 percent of consumers agree that food companies should be more transparent about their farming practices – this jumps to nearly 80 percent when asking millennials alone.⁶ This ties closely to animal welfare, where shoppers aren’t hearing the messages the agriculture industry would like. In 2020, there were nearly four times as many negative conversations about meat and the meat industry on social media than there were positive ones.⁷ The negative coverage animal agriculture received in 2020 can be difficult to overcome, especially when 43 percent of consumers say animal welfare influences their meat and poultry purchases.⁸”

⁶ Mintel, *Food Ethics – US. February 2020.*

⁷ Midan Marketing, *Meltwater Social Listening, 52 weeks ending 12/31/2020.*

⁸ Anne-Marie Roerink, Principal, 210 Analytics LLC, *The Power of Meat 2020: An In-Depth Look at Meat Through the Shopper’s Eyes, Report sponsored by Sealed Air Food Care Division/Cryovac®*

Participation in the program is estimated at 95% of all formula-fed/grain-fed veal comes from VQA certified farms. The VQA program historically is rated as one of the most valuable programs to the industry as measured annually through the Veal Industry Summit.

No other organization has a program to serve and support the unique aspects of the veal industry in the U.S. with a quality assurance program. The VQA program has been ongoing since its inception in 1990. VQA is funded through Beef Checkoff investments made by veal growers each time a calf is sold. Every veal calf through its lifecycle typically contributes \$2 to the Beef Checkoff.

What is VQA?

The VQA program provides veal farmers and industry leaders with the educational resources to develop and follow a comprehensive herd health plan and calf care program dedicated to producing consistent and exceptional quality veal. It also helps identify potential problem areas and solutions to ensure that every veal farmer meets the obligations and responsibilities inherent in raising animals for food.

To be VQA certified, each farm and its owner/manager producing milk-fed veal must:

- Maintain a Veterinarian/Client/Patient/Relationship (VCPR)
- Adhere to the best management practices outlined in each section of the VQA manual
- Have a licensed veterinarian assess and provide documentation that Best Management Practices are being followed
- Participate in a VQA educational training by an industry representative, and document completion of the training
- Complete and pass a VQA test following the educational presentation
- Continually review practices for ongoing improvement and innovation on the farm
- Documentation to complete and submit for certification is contained within the VQA Manual.
- Re-certification is required every three years.

Certification is verified by a veterinarian, typically the one listed as their VCPR.

This AR enables industry professionals working in partnership with veal farmers to have the resources and program parameters to inform, educate, monitor, support and credibly report the formula-fed veal industry is VQA certified.

What is Veal?

Uniquely positioned between both the dairy and beef industries, veal is a meat derived primarily from young Holstein bull calves. Bull calves are typically sold shortly after birth through local auction markets or purchased directly by others who will raise them for beef or veal. Most Holstein bull calves are raised for beef and small percentage are raised for veal.

There are two primary sources of veal.

VEAL CALVES	2020 USDA Annual Harvest	AGE AT MARKET	NOTEWORTHY
Bob veal	253,343 head	Dairy bull calves sold and marketed shortly after birth	
Formula-fed veal <i>Formula-fed veal calves can be referred to as milk-fed or special-fed. These animals also receive grain and are a ruminating animal at the time of harvest.</i>	160,207 head	Dairy bull calves that are raised for about six months and harvested at approximately 500 pounds .	<i>Most of the veal meat – 66% -- in the marketplace for consumption today is derived from formula-fed/grain-fed veal calves.</i>

Veal is primarily raised in the Northeast including the states of New York, Pennsylvania, Ohio, Michigan, Wisconsin and Indiana. Raising veal is very much a family affair. Most farms annually raise about 400 calves and many farmers raising veal today are Amish or Mennonite.

A Veal Industry Long Range Plan was created at the 2021 Veal Industry Summit to mirror the new Beef Industry Long Range Plan. The VQA program specifically helps the veal industry meet Core Strategy II: Grow Consumer Trust in Veal and Veal Production.

The VQA program outlined in this AR is foundational to support the following initiatives:

- Align and collaborate with traditional and non-traditional partners to tell the positive story of veal cattle production.
- Expand efforts in educating the public about the VQA program and its impact on animal well-being.

While the industry's story about production practices is shared through consumer and channel marketing efforts deployed in the veal promotion AR, this AR for Veal Quality Assurance enables a credible and ethical story can be communicated.

Funding	Direct Costs	Implementation	Total
CBB/BPOC Funding Request:	\$60,210	\$14,000	\$74,210

Other Potential Funding	Direct Costs	Implementation	Total
Federation of SBCs Pledges: (Informational Only)	\$0	\$0	\$0
Other Funding: (Informational Only)	\$0	\$0	\$0

Beef Industry Long Range Plan (LRP) Core Strategies Addressed by this AR

Drive Growth in Beef Exports	Grow Consumer Trust in Beef Production	Develop & Implement Better Business Models & Value Distribution Across All Segments	Promote & Capitalize on the Multiple Advantage of Beef	Improve the Business & Political Climate of Beef	Safeguard & Cultivate Investment in Beef, Industry Research, Marketing & Innovation
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PROGRAM INFORMATION FOR THIS AR

Tactic A

Tactic Name: Veal Quality Assurance

Tactic Description:

Veal Quality Assurance (VQA) is the program that certifies and verifies production practices for raising formula-fed veal. Recertification is required every three years, although some prefer to recertify every year. The focus of the FY22 AR will be continued program management to confirm all independent and company-owned formula-fed/grain-fed veal calves are raised on farms with farmers/managers that are VQA certified. This includes communication outreach to veal farmers, veterinarians, calf procurement managers and veal packer/processors involved in veal production as well as dairy industry partners who supply calves to veal growers/farmers. This AR ensures activities to support, verify and record certification initiatives and updates which are necessary for the integrity of the program.

A Veal Industry Long Range Plan was created at the 2021 Veal Industry Summit to mirror the Beef Industry Long Range Plan. This program specifically helps the veal industry meet Core Strategy II: Grow Consumer Trust in Veal and Veal Production.

Without the foundational VQA program outlined in this AR, the industry is unable to support these initiatives contained in the veal promotion AR which call for:

- Align and collaborate with traditional and non-traditional partners to tell the positive story of veal cattle production.
- Expand efforts in educating the public about the VQA program and its impact on animal well-being.

Measurable Objectives

(For tactics \$100,000 or less two measurable objectives are required, and for tactics over \$100,000 at least three to five measurable objectives are required by the Checkoff Evaluation Committee):

- Provide ongoing program management to ensure 95% of all domestically produced U.S formula-fed/grain-fed veal are derived from VQA-certified farms as confirmed by licensed veterinarians.
- Provide program and industry updates on VQA to veal growers and industry professionals through three newsletters (emailed and printed) to approximately 250 farmer and industry contacts and achieve an open rate of 20%.
- Present a VQA program update and solicit input from a minimum of 20 stakeholders at the 2022 Veal Summit to be delivered virtually online.

Performance Efficiency Measures *(These metrics address the annual impact and engagement of the VQA program with producers and industry contacts. This is different from previous year ARs.)*

Producer Reach Goal: 750 (cumulative)

Producer Engagement Goal: 250

Key Opinion Leader Reach Goal: 60

Key Opinion Leader Engagement Goal: 20

LRP Initiatives Addressed by this Tactic

Drive Growth in Beef Exports	Grow Consumer Trust in Beef Production	Develop & Implement Better Business Models & Value Distribution Across All Segments	Promote & Capitalize on the Multiple Advantage of Beef	Improve the Business & Political Climate of Beef	Safeguard & Cultivate Investment in Beef, Industry Research, Marketing & Innovation
<ul style="list-style-type: none"> <input type="checkbox"/> Drive adoption of traceability <input type="checkbox"/> Identify & address export customer needs and values <input type="checkbox"/> Collaborate with targeted partners to promote U.S. beef in foreign markets <input type="checkbox"/> Invest in research, marketing & education programs 	<ul style="list-style-type: none"> <input type="checkbox"/> Measure, document, improve & communicate the net environment impact of beef production <input type="checkbox"/> Educate medical, diet & health professionals about beef & beef production <ul style="list-style-type: none"> ■ Align and collaborate with traditional & nontraditional partners to tell the positive story of beef production <input type="checkbox"/> Engage positively in the sustainable nutrition conversation <ul style="list-style-type: none"> ■ Expand efforts in education the general public about BQA program & it's impact on animal well-being <input type="checkbox"/> Expand BQA program to include verification <input type="checkbox"/> Develop a direct-to-consumer beef safety campaign 	<ul style="list-style-type: none"> <input type="checkbox"/> Use innovative methods & technologies to value carcasses based on eating satisfaction & red meat yield 	<ul style="list-style-type: none"> <input type="checkbox"/> Promote the role of beef in a health & sustainable diet <input type="checkbox"/> Implement a marketing campaign that communicates beef's advantage compared to alternative proteins <input type="checkbox"/> Develop targeted marketing programs focused on the highest opportunity market segments <input type="checkbox"/> Cultivate collaborative promotion partnerships <input type="checkbox"/> Promote innovative online marketing, packaging & shipping solutions to enable the direct marketing of beef <input type="checkbox"/> Engage consumers in a memorable beef eating experience <input type="checkbox"/> Develop a more interactive & exciting beef purchasing experience <input type="checkbox"/> Promote underutilized beef cuts & new variety meat product 	<ul style="list-style-type: none"> <input type="checkbox"/> Demonstrate beef's positive sustainability message & key role in regenerative agriculture <input type="checkbox"/> Defend beef's product identity <input type="checkbox"/> Ensure beef's inclusion in dietary recommendations <input type="checkbox"/> Drive continuous improvement in food safety <input type="checkbox"/> Develop crisis management plans 	<ul style="list-style-type: none"> <input type="checkbox"/> Attract innovative & intellectual capital into the beef industry <input type="checkbox"/> Encourage the cooperation & collaboration of existing industry advisory committees to identify & prioritize research efforts

Committee(s) to Score this Tactic

Consumer Trust	Domestic Marketing	International Marketing	Nutrition & Health	Safety & Product Innovation	Stakeholder Engagement
■	□	□	□	□	□

SUPPLEMENTAL INFORMATION FOR THIS AR**1. Please explain changes from FY 2021 approved AR:**

The 2022 AR only includes the foundational program elements to maintain Veal Quality Assurance. In previous years, this AR included the communication and outreach to help extend the veal on farm story with influencers and consumers. These activities are now integrated in the Veal promotion AR.

2. List any proposed vendors/agencies that will be used to complete the work in this AR.

Look East has multi-years of managing VQA as well as experience and relationships in the veal industry to ensure participation and certification.

3. Will all work with vendors/agencies be competitively bid?***If not, why not?***

Look East staff has knowledge and experience (multiple years) in managing the VQA program and collaborating with industry stakeholders. Knowledge and experience within the formula-fed/grain-fed veal industry is not something easily found with other agencies. Their expertise and experience will deliver meaningful results for the beef/veal industry.

4. Please list any relationships between this AR and projects previously funded by the Beef Promotion Operating Committee (BPOC):

The BPOC has funded Industry Information ARs supporting VQA in past fiscal years. The “veal formula” provides guidance for the amount of checkoff dollars specifically contributed by the sale of veal calves.

5. If applicable, explain how this AR can be extended by State Beef Councils.

Due to the size and unique aspects of the veal industry and this program specifically, there is not a meaningful role for State Beef Councils to implement this program. Veal growers historically work directly with a feed supplier and often times are fully integrated with that feed company and/or a packer/processors for harvesting their animals. VQA works directly with feed company representatives, procurement managers, and veterinarians to ensure VQA certification resources are implemented and accountable to the expectations of the VQA program.

For those State Beef Councils who have veal production in their state, they should be aware of this program and can help extend the on-farm veal production story including VQA through their communication and education efforts. However, they engagement to implementation is not necessary.

DETAILED BUDGET SUMMARY

AR# 2230-II

CBB/BPOC Funding Request:

Committee Name	Tactic	Tactic Name	Funding Source	Direct	Impl.	Total
Consumer Trust	A	Veal Quality Assurance	BPOC	\$ 60,210	\$ 14,000	\$ 74,210
AR Totals				\$ 60,210	\$ 14,000	\$ 74,210

Federation of SBCs Pledges/Other Funding: (Informational Only)

Committee Name	Tactic	Tactic Name	Funding Source	Direct	Impl.	Total
Consumer Trust	A	Veal Quality Assurance	Federation/ Other	\$ -	\$ -	\$ -
AR Totals				\$ -	\$ -	\$ -

Summary of Prior Year AR Budgets and Expenses:

FY 2021 Approved Budgets	CBB/BPOC	FSBCs	Other Source(s)	Total	Direct Cost	Impl.	Total
	AR Totals	\$ 99,407			\$ 99,407	\$ 79,407	\$ 20,000

FY 2021 Actual Expenses (through June 30, 2021)	CBB/BPOC	FSBCs	Other Source(s)	Total	Direct Cost	Impl.	Total
	AR Totals	\$ 70,674			\$ 70,674	\$ 65,408	\$ 5,266

Historical Summary of Budgets and Expense: (includes all funding sources listed in original AR)

	Total Approved Budgets			Total Actual Expenses		
	FY 2020	FY 2019	FY 2018	FY 2020	FY 2019	FY 2018
AR Totals	\$ 157,716	\$ 120,000	\$ 50,000	\$ 153,113	\$ 118,760	\$ 48,416