

## In The Cattle Markets

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### U.S.-Canadian Beef Herds Move in Opposite Directions

On March 5, 2015, Statistics Canada released its *Livestock Estimates, January 1, 2015*, report which detailed cattle, hog and sheep inventories in Canada ([www.statcan.gc.ca/daily-quotidien/150305/dq150305a-eng.pdf](http://www.statcan.gc.ca/daily-quotidien/150305/dq150305a-eng.pdf)). That same day USDA-NASS released the *United States and Canadian Cattle and Sheep* and the *United States and Canadian Hogs* reports ([www.nass.usda.gov](http://www.nass.usda.gov)).

The Jan. 1 U.S. cattle inventory numbers were also previously released by NASS on Jan. 30 in the *Cattle* report. Those numbers have been discussed in previous *In The Cattle Market* columns. In summary, all cattle and calves in the U.S. on Jan. 1 were up 1.4% from 2014. Beef cows were up 2%, heifers kept for beef cow replacement were up 4%, calves and feeder cattle outside of feedlots were up 0.5%, cattle on feed were up 0.6%, and the 2014 calf crop was up 0.5%.

There were 11.915 million cattle and calves in Canada on Jan. 1, 2015, down 2.5% from 2014. That is the lowest level since 1993. The total cattle herd in Canada peaked at 14.925 million head in 2005. Beef cows at 3.824 million head were down 2%, continuing a downward trend that started in 2006. Canada's beef cow herd is less than the 4.18 million head that were in Texas on Jan. 1. On a provincial basis, Alberta has the most beef cows at 1.546 million, followed by Saskatchewan at 1.136 million, Manitoba at 445.2 thousand, British Columbia at 188.7 thousand and all other provinces at 508.8 thousand head. Beef heifers held for breeding in Canada were down 1.5% from 539,100 head in 2014 to 531,100 in 2015.

On a comparative basis, total cattle numbers in the U.S. were up 1.4% compared to a 2.5% decrease in Canada. Beef cows increased 2% in the U.S. and declined 2% in Canada, beef replacement heifers increased 4% in the U.S. and declined 1.5% in Canada, cattle on feed in the U.S. increased 0.6% but decreased 8.7% in Alberta and Saskatchewan, and the 2014 U.S. calf crop increased 0.5% compared to a 1.8% increase in Canada.

U.S. cattle slaughter declined 7.1% in 2014 while Canadian cattle slaughter increased 3.3%. Cattle prices were record high in both countries in 2014. But the increasing value of the U.S. dollar was one reason why 2014 beef imports from Canada increased 11.9 percent and U.S. beef exports to Canada declined 22%. Cattle imports from Canada in 2014 also increased about 19% and cattle exports to Canada also increased 4.4%.

Cattle prices are higher in the U.S. than in Canada. On a U.S. dollar basis for the week ending February 27, 500-600 lb. feeder steer prices at auctions in Manitoba averaged \$247.42/cwt. compared to North Dakota auctions across the border at \$275.63. Steers weighing 700-800

lbs. in Manitoba averaged \$200.29/cwt. compared to \$216.12 in North Dakota. Alberta Direct, mostly Select, slaughter steer prices averaged \$153.22 compared to the U.S. 5-area direct slaughter steer average price of \$158.44.

### The Markets

The cattle and beef markets were stronger last week. Across the 5-area market, liveweight fed steer prices averaged \$161.07 per hundredweight up \$2.63 for the week. Dressed weight prices increased \$3.61 to average \$257.17. The boxed beef market also increased with Choice at \$248.91 up \$3.62 for the week. Calf and feeder cattle prices were generally firm to \$5 higher. Adverse weather caused lighter receipts in the Southern Plains. Corn prices in Omaha on Thursday were up 7 cents a bushel at \$3.84.

		Week of	Week of	Week of
		3/6/15	2/27/15	3/7/14
<i>Data Source: USDA-AMS Market News</i>				
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$161.07	\$158.44	\$149.00
	all grades, dressed weight, \$/cwt	\$257.17	\$253.56	\$238.08
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$248.91	\$245.28	\$233.40
	Choice-Select Spread, \$/cwt	\$3.12	\$1.80	\$2.33
<b>700-800 lb. Feeder Steer Price</b>	Montana 3-market average, \$/cwt	\$209.03	\$209.52	--
	Nebraska 7-market average, \$/cwt	\$222.59	\$215.32	\$179.99
	Oklahoma 8-market average, \$/cwt	\$208.79	\$208.63	\$173.14
<b>500-600 lb. Feeder Steer Price</b>	Montana 3-market average, \$/cwt	\$257.48	\$264.59	\$212.12
	Nebraska 7-market average, \$/cwt	\$285.29	\$282.93	\$225.53
	Oklahoma 8-market average, \$/cwt	\$255.88	\$273.75	\$212.01
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.84	\$3.77	\$4.69
	DDGS Price, Nebraska, \$/ton	\$175.50	\$177.50	\$231.50