

# Daily Market Information Report

The following information is collected from various sources and disseminated by the Ontario Cattlemen's Association.

**Friday, May 10, 2013**

## ONTARIO DIRECT TO PACKER RAILGRADE PRICES

Prices are on a carcass weight basis, before grade and weight discounts. (Price for today, regardless of delivery day)

**A grade steers** 200.00-201.00  
**A grade heifers** 199.00-200.00

Today at: **Brussels Livestock – 1,550** stockers on offer (360 yearlings left to sell at reporting time.)

| STEERS  | Price Range   | Avg    | Top    | HEIFERS | Price Range   | Avg    | Top    |
|---------|---------------|--------|--------|---------|---------------|--------|--------|
| 900-999 | 101.50-118.00 | 112.38 | 118.00 | 900+    | 86.00-118.00  | 106.00 | 118.00 |
| 800-899 | 111.00-139.50 | 132.37 | 139.50 | 800-899 | 119.50-128.00 | 123.69 | 128.00 |
| 700-799 | 131.50-147.50 | 140.32 | 147.50 | 700-799 | 116.50-138.00 | 130.90 | 138.00 |
| 600-699 | 130.50-150.00 | 141.65 | 157.00 | 600-699 | 129.00-149.50 | 140.40 | 149.50 |
| 500-599 | 135.00-158.00 | 147.38 | 175.00 | 500-599 | 128.50-147.00 | 139.34 | 147.00 |
| 400-499 | 132.00-164.00 | 146.62 | 172.00 | 400-499 | 131.00-156.00 | 142.31 | 160.00 |
| 399-    | 92.00-157.00  | 127.67 | 170.00 | 300-399 | 122.00-177.00 | 146.88 | 177.00 |

All classes of cattle are selling on a good strong active market with calves trading \$2.00-\$3.00 higher and yearlings selling steady. Final results will be posted on Monday's report.

Ontario Auction Sales on **Thursday** saw weighted prices for:

|  | Volume | Price Range   | Avg    | Top    |
|--|--------|---------------|--------|--------|
| Large & Medium Frame Fed Steers +1250  | 100    | 91.00-125.25  | 115.10 | 133.25 |
| Large & Medium Frame Fed Heifers +1000 | 40     | 96.89-124.68  | 116.73 | 129.75 |
| Cows                                   | 581    | 58.55-77.18   | 68.73  | 100.00 |
| Bulls                                  | 14     | 79.21-90.57   | 85.12  | 96.50  |
| Veal calves 600 lbs +                  | 164    | 71.70-100.26  | 87.35  | 164.00 |
| Veal calves 125 lbs & under            | 123    | 105.00-202.00 | 175.08 | 210.00 |

Stocker Sale at: **Ontario Stockyards Inc, May 9, 2013 – 541** stockers

| STEERS  | Price Range   | Avg    | Top    | HEIFERS | Price Range   | Avg    | Top    |
|---------|---------------|--------|--------|---------|---------------|--------|--------|
| 800-899 | 103.00-114.00 | 107.96 | 114.00 | 700-799 | 101.00-127.50 | 120.05 | 127.50 |
| 700-799 | 115.00-140.00 | 129.30 | 145.00 | 600-699 | 110.50-130.00 | 121.86 | 143.00 |
| 600-699 | 123.50-144.00 | 134.20 | 144.00 | 500-599 | 116.50-135.00 | 126.74 | 154.00 |
| 500-599 | 117.00-159.00 | 137.59 | 159.00 | 400-499 | 121.00-145.00 | 133.30 | 145.00 |
| 400-499 | 141.00-167.00 | 154.27 | 167.00 | 300-399 | 112.00-159.00 | 142.59 | 159.00 |
| 399-    | 131.00-157.50 | 144.11 | 157.50 |         |               |        |        |

Stocker Sale at: **Ottawa Livestock Exchange, May 9, 2013 – 145** stockers

| STEERS  | Price Range   | Avg    | Top    | HEIFERS | Price Range   | Avg    | Top    |
|---------|---------------|--------|--------|---------|---------------|--------|--------|
| 700-799 | 108.00-128.00 | 116.44 | 128.00 | 700-799 | 70.00-116.00  | 100.40 | 116.00 |
| 600-699 | 72.00-139.00  | 119.92 | 139.00 | 600-699 | 103.00-129.0  | 120.50 | 129.00 |
| 500-599 | 80.00-149.00  | 118.21 | 159.00 | 500-599 | 110.00-135.00 | 122.64 | 135.00 |
| 400-499 | 60.00-157.00  | 125.44 | 176.00 |         |               |        |        |

## QUEBEC ELECTRONIC AUCTION MARKET (F.O.B. the feedlot)

| Week Ending <b>Thursday May 9, 2013</b> | Price             | Change from last week |
|---|-------------------|-----------------------|
| <b>A1, A2 Steers</b>                    | \$199.75-\$201.25 | +3.24                 |

### ALBERTA DIRECT TRADE

The Alberta direct trade this week was fully steady to last week on average, once all the results were in. Canfax reported prices for this week as follows:

|                |      |        |           |               |
|----------------|------|--------|-----------|---------------|
| <b>Steers</b>  | Live | 120.50 | Flat rail | 196.00-199.75 |
| <b>Heifers</b> | Live | 120.00 | Flat rail | 196.00-199.75 |

### U.S. BOXED BEEF CUT-OUT VALUES (U.S. funds)

|   | <b>Choice<br/>600-900</b> | <b>Select<br/>600-900</b> |
|---|---------------------------|---------------------------|
| <b>Cutout Values:</b> (noon estimate)   | 205.55                    | 191.11                    |
| <b>Change:</b> (from yesterday's close) | +0.06                     | +0.08                     |
| <b>Current 5 day average:</b>           | 202.66                    | 190.33                    |

### U.S. TRADE (U.S. funds)

The U.S. cash cattle trade was very light in the north today with a few sales reported at \$202.00 dressed which is \$4.00 below last week's average price. If more business in the north does not develop later today it is expected that many packers will start out next week short bought. Prices this week were:

|  |      |               |
|--|------|---------------|
| <b>Choice and select steers and heifers:</b> | Live | 126.00-129.00 |
|  | Rail | 202.00-205.00 |

### CHICAGO MERCANTILE EXCHANGE

Closing quotes on futures today were as follows:

| <b>Live Cattle</b> |              | <b>Feeder Cattle</b> |              | <b>Corn</b> |             | <b>Soybeans</b> |              | <b>Canadian \$</b> |             |
|--------------------|--------------|----------------------|--------------|-------------|-------------|-----------------|--------------|--------------------|-------------|
| \$/cwt US          |              | \$/cwt US            |              | \$/bu US    |             | ¢/bu            |              |                    |             |
| <b>Jun</b>         | 120.45 -0.10 | <b>May</b>           | 135.37 -0.37 | <b>May</b>  | 6.876 -6.6  | <b>May</b>      | 14.882 -3.0  | <b>Spot</b>        | 98.89 -0.28 |
| <b>Aug</b>         | 120.77 +0.25 | <b>Aug</b>           | 146.62 +0.65 | <b>Jul</b>  | 6.362 -12.4 | <b>Jul</b>      | 13.990 -9.6  | <b>Jun</b>         | 98.80 -0.26 |
| <b>Oct</b>         | 123.92 +0.17 | <b>Sep</b>           | 148.82 +0.97 | <b>Sep</b>  | 5.544 -11.4 | <b>Aug</b>      | 13.300 -10.0 | <b>Sep</b>         | 98.59 -0.26 |
| <b>Dec</b>         | 125.67 +0.37 | <b>Oct</b>           | 150.75 +0.97 | <b>Dec</b>  | 5.294 -12.0 | <b>Sept</b>     | 12.542 -10.0 | <b>Dec</b>         | 98.38 -0.26 |
| <b>Feb</b>         | 126.85 +0.37 | <b>Nov</b>           | 151.92 +0.92 | <b>Mar</b>  | 5.400 -11.4 | <b>Nov</b>      | 12.054 -13.4 | <b>Mar</b>         | 98.18 -0.26 |
| <b>Apr</b>         | 127.95 +0.45 | <b>Jan</b>           | 151.52 +0.62 | <b>May</b>  | 5.476 -11.2 | <b>Jan</b>      | 12.126 -13.4 | <b>Jun</b>         | 97.97 -0.26 |

Ontario Cattlemen's Association, 130 Malcolm Rd., Guelph, ON N1K 1B1 Phone: (519) 824-0334 Fax: (519) 824-1930 or email: [mktinfo@cattle.guelph.on.ca](mailto:mktinfo@cattle.guelph.on.ca)

### OBCFPP LICENCE CHANGES

#### **Now Licenced: Country Dealer**

Mr. Henry Vanderbyl, 21030 County Road 21, RR 1, Alexandria, On K0C 1A0

### Upcoming Special Sales

|                 |                                  |   |
|-----------------|----------------------------------|---|
| May 11 11:00 am | Denfield Livestock Exchange      | Stocker sale and Bred Cow sale                      |
| May 14 11:00 am | Ontario Stockyards Inc           | Spring stocker sale-vaccinated calves and yearlings |
| May 17 10:30 am | Manitoulin Livestock Exchange    | Stocker Sale, Bred Cow sale                         |
| May 18 11:00 am | Kawartha Lakes Co-op Auction Mkt | Stocker Sale  |

The 10<sup>th</sup> anniversary of the discovery of BSE in Canada is approaching on May 20, 2013. When the devastating disease was detected and closed our borders, many analysts predicted a 10 year recovery period. Below are charts comparing monthly prices for April 2003 to April 2013.

| <b>Cattle Category</b>              | <b>Monthly Average Price April<br/>2003</b> | <b>Monthly Average Price April<br/>2013</b> |
|-------------------------------------|---|---|
| <b>Fed Steer 1250 lbs and over</b>  | \$110.04                                    | \$114.77                                    |
| <b>Fed Heifer 1000 lbs and over</b> | \$108.81                                    | \$114.21                                    |
| <b>Cull Cows</b>                    | \$55.60                                     | \$65.23                                     |

| <b>Cattle Category</b>         | <b>Monthly Average Price April 2003</b> | <b>Monthly Average Price April 2013</b> |
|--------------------------------|---|---|
| <b>Stocker Steers 1000lbs+</b> | \$107.05                                | \$122.57                                |
| 900-999                        | \$109.61                                | \$122.62                                |
| 800-899                        | \$115.07                                | \$125.27                                |
| 700-799                        | \$123.07                                | \$132.05                                |
| 600-699                        | \$128.91                                | \$140.06                                |
| 500-599                        | \$133.23                                | \$144.68                                |
| 400-499                        | \$133.20                                | \$145.87                                |
| 399-                           | \$136.24                                | \$130.61                                |
| <b>Stocker Heifers 900lbs+</b> | \$100.37                                | \$110.00                                |
| 800-899                        | \$107.44                                | \$113.96                                |
| 700-799                        | \$113.92                                | \$117.67                                |
| 600-699                        | \$118.70                                | \$124.11                                |
| 500-599                        | \$120.58                                | \$128.77                                |
| 400-499                        | \$120.89                                | \$129.10                                |
| 300-399                        | \$117.05                                | \$130.46                                |

|  | <b>2003</b>          | <b>2013</b>            |
|--|----------------------|------------------------|
| Canadian Dollar                                      | \$68.87              | \$98.18                |
| Prime Lending Rate                                   | 5%                   | 3%                     |
| Ontario Corn - Average Price/Bushel                  | \$4.15               | \$6.30                 |
| 40% Beef Supplement – Average Price/Tonne            | \$276.50             | \$453.25               |
| Regular Unleaded Gas – Ontario Average Price (April) | 67.4 cents per litre | 124.06 cents per litre |
| Diesel – Ontario Average Price (April)               | 69.4 cents per litre | 127.1 cents per litre  |

| <b>Ontario Exports Through Ontario Ports to the U.S. -</b> | <b>2003</b><br>Jan 1-Apr 30 <sup>th</sup> incl | <b>2013</b><br>Jan 1-Apr 30 <sup>th</sup> incl |
|--|--|--|
| Fed steers and heifers                                     | 76,332   | 14,410   |
| Cull cows  | 19,898   | 49,893   |
| Bulls  | 2,923  | 7,755  |

When looking at the cattle prices it appears as though the market has recovered and is stronger than April 2003. However, there are many other factors to consider. The dollar is up and feed and fuel prices have increased, just to mention a few. Interest rates are lower. Exports to the U.S. are down considerably in the finished cattle category however, cull cow and bull exports are up compared to 2003. In January of 2003, there were 1,307,000 head of cattle in Ontario on beef operations compared to 988,900 on January 1<sup>st</sup>, 2013, that's a decrease of 318,100 head.

When working out a breakeven price for 2003, a steer going in at 850 lbs in April and finishing at 1450 lbs in October, the estimated breakeven price was \$104.60. The finished cattle price in April of 2003 was \$110.04 which would have been profitable, however BSE changed that with the October average price for a fed steer at \$76.69 creating \$33.35 cwt loss. With the same scenario, an 850 lb steer bought in April 2013 would be estimated to breakeven at \$124.93 in October. The estimated cost of gain(all costs) in 2003 was \$89.76 cwt while in 2013 it is estimated at \$124.46. So, the question is, have we actually recovered?