



# Weekly Market Information Report



Week ending Thursday December 15, 2005

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

## ONTARIO DIRECT TO PACKER RAILGRADE CATTLE TRADE

This is a summary for the week of rail grade prices on a carcass weight basis, before grade and weight discounts.

	Price Range	Last Week
A grade steers	166.50-170.00	167.00-170.00
A grade heifers	166.50-170.00	167.00-169.00

## ONTARIO LIVE CATTLE TRADE

Ontario auction sales this week saw weighted average price ranges for

### **FED CATTLE**

	Price Range	Average	Top	Last week avg.
Large Frame Steers +1250	91.99-103.81	98.43	111.25	98.88
Medium Frame Steers +1250	85.26-103.03	96.20	114.50	93.84
Large & Medium Frame Steers +1250	90.79-103.69	97.99	114.50	98.34
Large Frame Heifers +1000	87.13-103.52	97.49	109.00	96.22
Medium Frame Heifers +1000	76.61-98.56	91.58	107.75	88.95
Large & Medium Frame Heifers +1000	84.81-102.39	96.11	109.00	95.42
Cows-all weights	17.06-31.65	24.29	66.00	23.11
Bulls-all weights	28.42-38.14	33.05	93.00	31.21

### **STOCKERS – Large & Medium Frame**

STEERS	Price Range	Average	Top
1000+	101.15-117.61	110.79	126.00
900-999	101.70-117.96	110.74	124.25
800-899	105.93-119.43	114.80	129.50
700-799	102.44-125.72	115.56	134.00
600-699	101.46-131.79	121.31	139.00
500-599	105.86-140.13	125.38	154.50
400-499	104.15-139.70	122.24	157.00
-399	88.29-133.71	114.19	155.00

HEIFERS	Price Range	Average	Top
900+	89.04-105.33	97.96	115.00
800-899	81.81-110.18	100.25	115.00
700-799	79.62-109.44	97.77	118.50
600-699	90.95-118.94	107.43	125.00
500-599	91.54-121.84	110.58	130.00
400-499	87.38-120.75	108.23	130.00
300-399	89.09-113.17	102.79	133.00

### **At Talbotville Livestock: Saturday December 10, 2005**

	Price Range	Top
Good & choice steers	92.00-107.00	113.25
Good & choice heifers	93.00-102.00	108.75
Cows	20.00-35.00	45.50
Bulls	30.00-48.00	

**Stocker Sale: Brussel's Livestock, December 9, 2005**

<b>STEERS</b>	Price Range	Top	<b>HEIFERS</b>	Price Range	Top
<b>1000+</b>	104.00-116.50	116.50	<b>900+</b>	88.50-109.00	109.00
<b>900-999</b>	98.00-119.50	119.50	<b>800-899</b>	89.00-108.00	110.00
<b>800-899</b>	108.00-122.00	122.00	<b>700-799</b>	72.00-114.00	114.00
<b>700-799</b>	100.00-129.00	134.00	<b>600-699</b>	96.50-121.00	121.50
<b>600-699</b>	91.00-130.50	134.00	<b>500-599</b>	94.00-122.50	122.50
<b>500-599</b>	103.00-134.00	134.00	<b>400-499</b>	85.00-121.00	121.00
<b>400-499</b>	98.00-141.00	147.00	<b>300-399</b>	83.00-100.00	114.00

**Stocker Sale: D.H. Hickson, December 13, 2005**

<b>STEERS</b>	Price Range	Top	<b>HEIFERS</b>	Price Range	Top
<b>600-699</b>	74.00-132.00	132.00	<b>600-699</b>	68.00-113.00	113.00
<b>500-599</b>	67.00-138.50	138.50	<b>500-599</b>	61.00-116.00	116.00
<b>400-499</b>	75.00-140.00	140.00	<b>400-499</b>	60.00-119.50	119.50

**Stocker Sale: Keady Livestock, December 13, 2005**

<b>STEERS</b>	Price Range	Top	<b>HEIFERS</b>	Price Range	Top
<b>+1000</b>	114.25-122.70	122.70	<b>+900</b>	105.00-115.00	115.00
<b>800-899</b>	100.00-120.25	120.25	<b>800-899</b>	91.00-115.00	115.00
<b>700-799</b>	107.00-122.75	127.00	<b>700-799</b>	84.00-113.00	113.00
<b>600-699</b>	113.00-134.00	138.50	<b>600-699</b>	101.00-121.25	121.25
<b>500-599</b>	115.50-142.00	142.00	<b>500-599</b>	98.50-124.25	124.25
<b>400-499</b>	117.00-138.00	138.00	<b>400-499</b>	106.00-129.00	129.00

**Stocker sale: Ontario Livestock Exchange, December 14, 2005**

<b>STEERS</b>	Price Range	Top	<b>HEIFERS</b>	Price Range	Top
<b>+1000</b>	106.00-126.00	126.00	<b>+900</b>	98.75-105.00	105.00
<b>900-999</b>	111.50-122.50	124.25	<b>800-899</b>	95.00-108.50	114.00
<b>800-899</b>	115.50-129.50	129.50	<b>700-799</b>	100.00-115.50	118.50
<b>700-799</b>	114.50-129.00	130.00			

**Stocker sale: Kawartha Lakes, December 14, 2005**

<b>STEERS</b>	Price Range	Top	<b>HEIFERS</b>	Price Range	Top
<b>700-799</b>	99.00-121.25	121.25	<b>600-699</b>	81.00-120.00	120.00
<b>600-699</b>	73.00-133.00	133.00	<b>500-599</b>	74.50-126.00	126.00
<b>500-599</b>	85.00-152.50	152.50	<b>400-499</b>	71.00-114.00	114.00
<b>400-499</b>	110.50-147.50	147.50			

**Stocker Sale: Ontario Stockyards – December 15, 2005**

<b>STEERS</b>	Price Range	Top	<b>HEIFERS</b>	Price Range	Top
<b>800-899</b>	106.00-115.50	119.75			
<b>700-799</b>	111.50-129.75	129.75	<b>700-799</b>	100.00-115.00	116.50
<b>600-699</b>	118.00-134.50	134.50	<b>600-699</b>	98.00-122.50	122.50
<b>500-599</b>	118.00-145.00	147.00	<b>500-599</b>	103.00-125.50	125.50
<b>400-499</b>	109.50-143.00	157.00	<b>400-499</b>	93.00-123.00	123.00
<b>-400</b>	88.00-137.00	145.00	<b>300-399</b>	85.00-114.00	114.00

**ALBERTA DIRECT TRADE**

Week ending Thursday December 15, 2005

<b>Steers</b>	<b>Live</b>	94.00	<b>Flat rail</b>	161.30
<b>Heifers</b>	<b>Live</b>	95.30-97.40	<b>Flat rail</b>	158.00-160.00

**CANADIAN BOXED BEEF CUTOUT VALUE**

Week ending	AAA	AA
Week ending December 3, 2005	1.7776	1.6593
Week ending November 26, 2005	1.7379	1.6477

**AVERAGE CARCASS WEIGHTS – CANADA**

	Steers	Heifers
December 10, 2005	853	791
December 11, 2004	831	773

**FEDERALLY INSPECTED CANADIAN KILL**

	Week End	YTD	% of
	Dec.10/05		Yr. Ago
Grand Total	69,877	3,482,566	100%
Alberta Slaughter	44,326	2,302,265	94%
Ontario Slaughter	12,806	623,950	104%

**USDA ESTIMATED CATTLE KILL**

	Week Ending	Dec. 10, 2005	Year Ago
	Dec. 17, 2005		
Grand Total	637,000	610,000	618,000

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

	Choice	Select
	600-900	600-900
Current 5 day average:	157.15	145.72

**U.S. TRADE (U.S funds)**

Week ending Thursday December 15, 2005

Weekly range for choice and select steers and heifers:	Live	93.00-95.00
	Rail	152.00-153.00

**BEEF EXPORTS**

	United States	Mexico
	Jan 2– Dec. 10	Jan 1 – Oct. 22
Total	324,433 tonnes	45,109 tonnes

**BEEF IMPORTS**

	Jan 1 – Dec 3	Last Year Same Time	% Change
Total	97,243 tonnes	77,290 tonnes	+25.8

**LIVE CATTLE**

	IMPORTS		EXPORTS
	Jan 1 – Oct. 31		Jan 1 – Dec 10
Pure bred	738	Slaughter steers & heifers	273,895
Non pure bred	18,561	Feeder steers & heifers	190,308

**BEEF PRODUCTION**

	Jan 1 – Dec 10	Last Year Same Time	% Change
Fed	1,071,905 tonnes	1,134,596 tonnes	-5.5%
Non-fed	173,357 tonnes	129,386 tonnes	+34.0%

**CHICAGO MERCANTILE EXCHANGE**

Closing quotes on futures today were as follows:

Live Cattle		Feeder Cattle			Corn		Soybeans		Canadian \$	
\$/cwt US		\$/cwt US			\$/bu US ¢/bu		\$/bu US ¢/bu			
<b>Dec</b>	95.52 +1.20	<b>Jan</b>	114.32 +0.50	<b>Mar</b>	2.074 +2.6	<b>Jan</b>	5.922 +5.0	<b>Spot</b>	86.40 +0.03	
<b>Feb</b>	97.07 +0.87	<b>Mar</b>	113.85 +0.62	<b>May</b>	2.162 +2.2	<b>Mar</b>	6.024 +4.4	<b>Dec</b>	86.34 -0.03	
<b>Apr</b>	94.70 +0.65	<b>Apr</b>	113.27 +0.87	<b>July</b>	2.252 +2.6	<b>May</b>	6.104 +4.2	<b>Mar</b>	86.56 -0.03	
<b>Jun</b>	86.97 +0.32	<b>May</b>	112.80 +0.80	<b>Sep</b>	2.340 +2.4	<b>Jul</b>	6.180 +4.2	<b>Jun</b>	86.77 -0.03	

### Comments for the week ending December 15, 2005

The finished cattle market saw good strong trade. The volume of live finished steers and heifers sold through auction markets was 2,256. The average fed steer price was \$97.99 down \$0.35 and the average heifer price was \$96.11 up \$0.69 from last week. Auction markets reported fed cattle sold strong and active on a good demand with prices steady to \$1.00 higher.

Slaughter cows picked up the pace this week as stronger prices were evident. There were 2,354 head sold through auction markets. This week's average price was \$24.29 up \$1.18. Auction markets reported cows sold strong with prices \$2-3 higher.

Replacement cattle were very strong in the market. Total stockers sold was 7,974 down 8.0% from last week and 4% less than last year at this time. Auction markets reported a good quality run of stockers sold strong with prices \$2-5 higher. Calves sold stronger than the yearlings and steers sold better than the heifers.

Direct to packer railgrade cattle prices were steady to a touch higher than last week. Steers sold at \$166.50-170.00 and heifers were \$166.50-170.00 dressed.

In Alberta, cattle trade was fairly light. Prices were about steady to \$1.50 higher than last week. Steers sold at \$94.00 live and \$160.50-161.30 flat rail. Heifers sold at \$95.30-97.40 live and \$158.00-160.00 flat rail.

U.S. cash cattle trade was a bit out of the normal with all trade evident on Wednesday. Steers and heifers sold at \$93.00-95.00 live and \$152.00-153.00 dressed. It is expected that trade for next week is going to be very light.

Local beef trade was very active particularly on the tenderloins and ribs again however prices were under some pressure. With most orders filled until almost the New Year, the next couple of weeks are expected to be quite slow.

On behalf of the Board of Directors, Advisory Council and Staff of the Ontario Cattlemen's Association, we wish each and every one of our readers a very safe and happy Holiday Season!

December 15, 2005 (Guelph) – The Ontario Cattlemen's Association and Ontario Cattle Feeders Association cattle industry are extremely disappointed with a ruling released today in which the President of the Canada Border Services Agency made a preliminary determination of dumping and subsidizing, respecting unprocessed grain corn. A Provisional duty will now be payable on the subject goods that are released from Customs.

Effective today, provisional anti-dumping duties of US \$0.58 and a provisional countervailing duty of \$1.07 US per bushel (total \$1.65 US, or approx. \$1.90 CDN) are payable on U.S. corn imports. The Animal Industry Corn Users coalition (comprised of the Canadian Cattlemen's Association, the Canadian Pork Council and Animal Nutrition Association of Canada) estimates that if Canadian corn prices rise by the same amount as the duty, it could add feed costs of up to \$100 per head of cattle in corn-feeding regions such as Ontario.

"That \$1.65 per bushel translates to \$100 per head in additional feed costs," says Ontario Cattlemen's Association President, Ian McKillop. "As our industry was just beginning to come out of the BSE crisis, producers needed to make money on this turn of cattle. But instead, the cattle industry's recovery strategy is now in jeopardy."

This strategic plan, developed largely by CCA and announced by the Federal government in September 2004 focuses on reducing the dependency of Canadian cattle producers on exporting live cattle. If Canada builds the capacity to feed and process its own cattle, the industry can immunize itself against potential future market losses for live cattle exports. The plan has been successful in increasing capacity from approximately 72,000 – 93, 000 head per week.

Animal industry corn users are sympathetic to the market revenue situation of Canada's corn growers, and the need to achieve fair prices for feed. In fact, OCA and CCA representatives have met several times with Canadian corn growers to try and identify mutually acceptable solutions. The two organizations have proposed ways of encouraging Ontario cattle feeders to use Canadian corn when supplies are high and prices are low. In return, corn growers were asked to assure continued supply on a consistent year-round basis, even when supplies are low and prices are high.

The corn growers' response was disappointing, and forced Ontario cattle feeders to rely on imports, as well as Canadian corn to secure supply on a consistent year-round basis.

"We have heard accusations that cattle feeders are only interested in maintaining a cheap supply of corn from the United States," says Jim Clark, General Manager of the Ontario Cattle Feeders Association. "The truth is not that we want low-cost corn, but that we need cost-parity between US and Canadian cattle feed inputs. *That* is absolutely necessary for long-term survival of the Canadian cattle feeding sector".

The main feed source for finishing cattle in Canada, is grain. The type of grain fed largely depends on its cost and availability. Most of the cattle fed in Western Canada are fed primarily on barley, while most of the cattle fed in Ontario, are fed on corn. Thus, Canadian cattlemen, and more particularly Ontario cattlemen, are customers of the Canadian corn growers, who are seeking to increase the price of this vital input.

"It's a sad day when the government will sit back and allow farmers to go the route of countervail instead of stepping up to the plate with assistance, forcing an action that will have detrimental affects on all of us, as a farming sector," concludes Clark.

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### **Japan's decision to re-open market to Canadian beef**

December 12, 2005

From a press release

CALGARY - Canadian Cattlemen's Association (CCA) President Stan Eby today commended the Government of Japan on its decision to re-open its border to beef from Canada and from the U.S. The Government's decision follows a recommendation made by the Japan Food Safety Commission last week that found negligible risk between beef from Canada and the U.S. and beef from Japan. Japan was Canada's third largest market for beef prior to the market closing in 2003 following diagnosis of BSE in Canada. In 2002 Canada exported just over \$81 million worth of beef to Japan. Japan was an important market for certain products that are difficult to sell in Canada. Selling these products into Japan helped increase the value of Canadian cattle. Once risk assessments and final administrative procedures are complete, the Japanese market will re-open to beef from cattle verified to be less than 21 months of age. Canadian cattle producers have been registering birth dates of cattle on the Canadian Cattle Identification Agency's age verification website, which recently recorded its one-millionth birth date registration. "I'd like to express the appreciation of Canadian cattle producers to Canada's team of negotiators that has worked hard to regain access to the Japanese market," says Eby. "I would also like to acknowledge those who were serving on the Canadian Cattlemen's Association Board at the time Canada's cattle identification system was conceived. The Canadian Cattle Identification Agency had the foresight to build a system that is flexible enough to meet the industry's changing needs. When the system was launched in 2001 we did not envision that we would need to be able to verify when our animals are born, but when the situation arose, we already had a system in place. "Canada's age verification system may prove to be a big advantage for Canada in the Japanese market. I urge all cattle producers to register their animals' birth dates. I look forward to Canada's aggressive re-entry into the Japanese beef market."

The Canadian Cattle Identification Agency age verification website can be accessed at [www.Canadaid.ca](http://www.Canadaid.ca)  
CCA is the National Voice for the Beef Cattle Industry, representing over 90,000 Cattle Producers

Some additional details on exporting beef to Japan, provided by Canada Beef Export Federation and a translated news release from Japan's Ministry of Agriculture (attached):

- Eligible cattle must be 20 months or younger at slaughter. Cattle will be considered to be 20 months until they turn 21 months (e.g. 20 months plus 10 days is eligible).
- Japanese inspectors are currently in Canada and the U.S. assessing our processes. They will be here until December 23 – 24.
- Processors that have been designated as approved to ship product to Japan don't have to wait for the assessment review results but can begin shipping product as soon as they receive designation.
- Japan will inspect all beef products exported at Animal Quarantine Stations.
- 43 U.S. processing facilities are currently designated to ship product to Japan.
- CFIA has established a certification protocol with Japan. 1 Canadian plant has been designated as eligible to export. 10 in total have applied to CFIA for certification. CFIA certification inspections are underway.
- The measures required for a plant to be designated are:
  - verification that animals slaughtered are 20 months or under based on birth date in either CCIA or ATQ (Quebec) database
  - hygienic removal of SRMs as designated by Japan, including vertebral column
  - segregation of carcasses and products from anything not eligible for export to Japan
- Federally inspected plants wanting to be certified for export to Japan should contact their CFIA veterinarian.
- In the U.S., Japan has accepted the A40 system as a means of age verification.
- On Monday (the day Japan announced it was opening to beef from cattle under 20 months), CCIA had the largest number of registrations on the age verification website on a single day, with 35,000 birth dates registered.