



## Daily Market Information Report - Wednesday, May 30, 2018

The following information is collected from various sources and disseminated by Beef Farmers of Ontario.

### ONTARIO DIRECT TO PACKER RAILGRADE CATTLE TRADE

Prices are on a carcass weight basis before grade and weight discounts, *regardless of delivery date.*

<b>A Grade Steers</b>	245.00-247.00
<b>A Grade Heifers</b>	244.00-246.00

### ONTARIO LIVE CATTLE TRADE

Today at **Ontario Livestock Exchange: 743** Stockers

<b>Steers</b>	<b>Price Range</b>	<b>Top</b>	<b>Heifers</b>	<b>Price Range</b>	<b>Top</b>
<b>1000+</b>	150.00-166.00		<b>800+</b>	151.00-153.00	
<b>800-1000</b>	165.00-184.00		<b>600-800</b>	154.00-168.00	
<b>600-800</b>	192.00-232.00				

Feeder cattle sold on an easier trade.

Today at **Ontario Stockyards Inc.: 152** fed steers & heifers, **232** Cows, **12** Bulls & **30** Veal

	<b>Price Range</b>	<b>Top</b>
<b>Fancy Fed Steers</b>	Too few for a price range	157.00
<b>Fancy Fed Heifers</b>	147.00-152.00	158.00
<b>Good Fed Steers</b>	138.00-144.00	
<b>Good Fed Heifers</b>	140.00-145.00	
<b>Aged &amp; Med Fed Cattle</b>	120.00-137.50	
<b>Good Beef Cows</b>	77.00-87.00	99.00
<b>Good Dairy Cows</b>	70.00-84.00	85.50
<b>Export Cows</b>	57.00-67.00	68.50
<b>Bulls</b>	79.00-101.00	106.50

Fed steers and heifers traded at about steady prices on the better quality kinds, with all other classes selling under pressure at easier prices. A medium quality offering of cows and bulls sold at about steady prices. Veal was steady to Monday. *700 stockers are expected for Thursday's sale!*

**Denfield Livestock Exchange Inc., May 29, 2018- 167** Fed Cattle, **34** Veal, **2** Bulls, **81** Cows & **169** Drop Calves

	<b>Price Range</b>	<b>Top</b>		<b>Price Range</b>	<b>Top</b>
<b>Choice steers</b>	150.00-155.00		<b>Good beef cows</b>	80.00-90.00	100.50
<b>Good steers</b>	145.00-150.00		<b>Good Holstein cows</b>	75.00-85.00	
<b>Choice heifers</b>	150.00-155.00	159.50	<b>D1 &amp; D2 Cows</b>	60.00-70.00	
<b>Good heifers</b>	145.00-150.00		<b>D3 &amp; D4 Cows</b>	50.00-60.00	
<b>Good Holstein veal</b>	100.00-115.00		<b>Choice drop calves</b>	\$175.00-\$250.00/hd	\$410.00/hd
<b>Plain &amp; heavy veal</b>	90.00-100.00		<b>Good drop calves</b>	\$100.00-\$160.00/hd	
<b>Good beef bulls</b>	85.00-123.00		<b>Plain &amp; Newborns</b>	\$40.00-\$100.00/hd	
<b>Good Hol bulls</b>	N/T				

The fed cattle sold fully steady and stronger in some areas. Veal sold under pressure at lower prices. Cull cows sold strong and slightly higher on the good ones. Drop calves traded under pressure with a larger offering on hand.

At **Renfrew Pontiac Livestock Ltd.:** **May 29, 2018– 18** Replacement Calves, **90** Cows, **18** Bulls

	<b>Price Range</b>	<b>Top</b>
<b>Replacement Calves</b>	120.00-140.00	220.00
<b>Cows D1 &amp; D2</b>	80.00-92.00	107.00
<b>Cows D3</b>	72.0-79.00	
<b>Cows D4</b>	65.00-71.00	
<b>Bulls</b>	85.00-102.00	106.00

Cows sold actively at prices \$1.00 cwt higher.

Ontario auction sales on **TUESDAY** saw weighted prices for:

	<b>Volume</b>	<b>Price Range</b>	<b>Average</b>	<b>Top</b>
Large & Medium Frame Fed Steers +1250 lbs	54	133.00-147.00	141.64	160.00
Large & Medium Frame Fed Heifers +1000 lbs	60	131.00-150.50	143.91	154.50
Cows	627	57.36-86.46	72.18	117.99
Bulls under 1600 lbs	30	84.77-150.69	104.79	198.99
Bulls over 1600 lbs	29	72.29-101.22	90.44	107.00
Veal 600 lbs and over	523	89.05-117.82	101.62	180.00
Veal 125 & less	57	106.83-202.89	153.41	400.00

To check out individual auction market results on the Ontario Beef website go to <http://www.ontariobeef.com/markets/market-reports.aspx>

Stocker sale at: **Community Livestock Exchange: May 29, 2018 – 142** Stockers

<b>Steers</b>	<b>Price Range</b>	<b>Average</b>	<b>Top</b>	<b>Heifers</b>	<b>Price Range</b>	<b>Average</b>	<b>Top</b>
<b>800-899</b>	130.00-175.00	167.70	175.00	<b>800-899</b>	152.49-160.00	159.40	160.00
<b>600-699</b>	132.49-220.00	187.20	220.00	<b>600-699</b>	135.00-170.99	157.80	170.99
<b>500-599</b>	132.49-225.00	193.90	225.00	<b>500-599</b>	150.00-204.99	174.50	204.99
<b>400-499</b>	135.00-239.00	204.70	239.00	<b>400-499</b>	132.49-204.99	177.40	204.99

Stocker sale at: **Keady Livestock Market: May 29, 2018 – 1,055** Stockers

<b>Steers</b>	<b>Price Range</b>	<b>Average</b>	<b>Top</b>	<b>Heifers</b>	<b>Price Range</b>	<b>Average</b>	<b>Top</b>
<b>1000+</b>	147.75-165.50	153.93	165.50	<b>800-899</b>	156.50-162.00	158.68	162.00
<b>900-999</b>	160.00-178.00	174.34	178.00	<b>700-799</b>	176.00-196.00	181.20	196.00
<b>800-899</b>	180.00-185.00	182.04	188.50	<b>600-699</b>	179.00-204.50	188.99	204.50
<b>700-799</b>	199.75-223.50	208.28	225.00	<b>500-599</b>	187.00-219.00	205.80	219.00
<b>600-699</b>	217.00-234.50	227.00	234.50	<b>400-499</b>	160.00-229.00	208.79	229.00
<b>500-599</b>	210.00-238.00	227.79	238.00	<b>300-399</b>	175.00-235.00	216.25	235.00
<b>400-499</b>	211.00-238.00	230.08	238.00				
<b>399-</b>	195.00-240.00	222.50	240.00				

Light weight cattle sold \$3.00-\$5.00 cwt higher while heavier cattle sold fully steady.

Stocker sale at: **Renfrew Pontiac Livestock: May 29, 2018 – 254** Stockers

<b>Steers</b>	<b>Price Range</b>	<b>Average</b>	<b>Top</b>	<b>Heifers</b>	<b>Price Range</b>	<b>Average</b>	<b>Top</b>
<b>900-999</b>	157.49-172.50	165.70	172.50	<b>600-699</b>	105.00-186.00	156.69	186.00
<b>700-799</b>	178.00-194.99	186.40	194.99	<b>500-599</b>	107.49-204.99	174.10	204.99
<b>600-699</b>	162.50-220.00	195.59	220.00	<b>400-499</b>	162.50-218.00	187.99	218.00
<b>500-599</b>	137.50-243.99	208.89	243.99	<b>300-399</b>	137.50-198.99	159.49	220.00
<b>400-499</b>	179.00-250.00	225.00	250.00				

Stockers sold steady to \$1.00 cwt higher, with light calves selling \$5.00-\$6.00 cwt higher.

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

	<b>Choice 600-900</b>	<b>Select 600-900</b>
<b>Cutout Values</b> (noon estimate):	229.30	204.63
<b>Change</b> (from yesterday's close):	+1.74	+0.98
<b>Current Five Day Average:</b>	228.69	204.82

### **ALBERTA DIRECT TRADE**

Alberta direct trade on Tuesday remained at a standstill, however Canfax notes that light to moderate trade is expected to develop later this afternoon. Asking prices are reported at \$253.00-\$255.00 delivered, on a dressed basis.

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

At the Fed Cattle Exchange online auction in the US this morning there were 449 head of fed cattle on offer, all from Kansas and the majority were heifers, with delivery dates from 1-9 days. Out of the 7 lots on offer, only three lots were bid on, with all three lots selling at \$110.00. Asking prices were mainly \$110.00 live with just two lots asking \$107.00.

The cash cattle trade remains untested with the exception of one string of cattle sold in Nebraska yesterday at \$109.00-\$111.00 live, but not enough to establish a market by any means. Today a couple of bids were noted in the north at \$175.00 dressed but no selling interest was reported. Asking prices are sitting at \$115.00 plus live in the south and \$184.00-\$185.00 dressed in the north, but could be higher tomorrow following sharply higher to up the limit cattle futures today. Active trading is not expected to develop before Thursday at the earliest.

<b>Choice and Select Steers and Heifers:</b>	Live	109.00-111.00
	Rail	N/T

### **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>		
<b>Jun</b>	106.12	+3.00	<b>Aug</b>	148.55	+3.57	<b>Jul</b>	3.934	-6.4	<b>Jul</b>	10.230	-7.4	<b>Spot</b>	77.65	+0.87
<b>Aug</b>	104.45	+3.00	<b>Sep</b>	148.07	+3.35	<b>Sep</b>	4.024	-6.4	<b>Aug</b>	10.276	-7.2	<b>Jun</b>	77.67	+0.85
<b>Oct</b>	107.75	+2.90	<b>Oct</b>	147.62	+3.25	<b>Dec</b>	4.132	-5.6	<b>Sep</b>	10.310	-7.2	<b>Sep</b>	77.83	+0.85
<b>Dec</b>	112.45	+2.02	<b>Nov</b>	147.62	+2.92	<b>Mar</b>	4.216	-5.6	<b>Nov</b>	10.364	-6.0	<b>Dec</b>	77.96	+0.84
<b>Feb</b>	115.77	+1.82	<b>Jan</b>	144.22	+2.45	<b>May</b>	4.266	-5.2	<b>Jan</b>	10.412	-4.4	<b>Mar</b>	78.09	+0.83
<b>Apr</b>	116.22	+1.42	<b>Mar</b>	142.10	+2.50	<b>Jul</b>	4.310	-5.0	<b>Mar</b>	10.290	+0.2	<b>Jun</b>	78.19	+0.83

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### **OBCFPP LICENCE CHANGES**

**No longer buying cattle, requested to cancel licence: Country Dealers:**

Adrain Cowenberg, RR 2, Burgessville, ON N0J 1C0

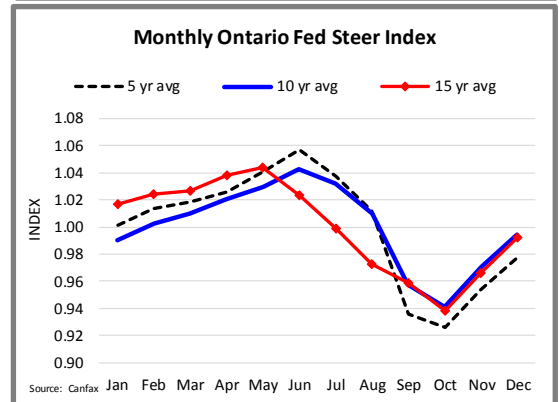
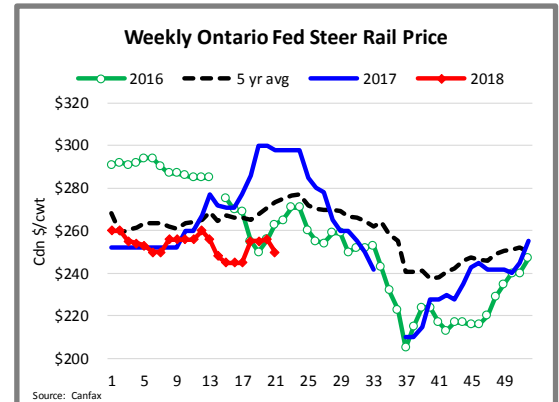
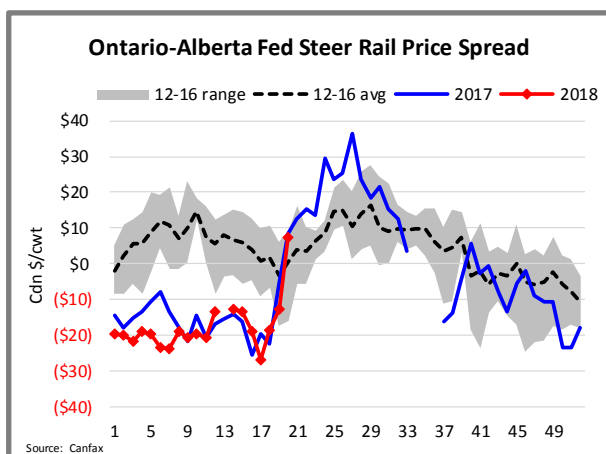


## Fed cattle prices

Ontario fed steer prices this spring have ranged between \$245-260/cwt on the rail. This was steady with last year during the first quarter but since April has moved to be \$48/cwt below last year and \$23/cwt below the 5-year average. In the last 10 years Ontario fed steer prices have seasonally increased 5-6% between January and June, with prices typically peaking in June. Larger supplies moving into the third quarter and the dramatic change in weather from winter in April to summer heat in mid-May might mean the \$11/cwt rally in early May is all there will be. While the 15-year index has prices dropping sharply from the June high to the October low (8%), the 5 and 10-year index has had more strength in July and August (down 3-5%) before dropping off sharply in August (down another 7-9%).

Alberta prices typically peak earlier than in Ontario, sometime in April before sliding to an annual low in September, rather than October when Ontario has their annual low. This slight shift in seasonality could be driven by weather patterns impacting consumer demand for spring grilling, along with animal performance.

The 10-year average price spread between Ontario and Alberta is \$5/cwt on the rail, this premium is expected with Ontario's large population attracting supplies. But the spread dropped to -\$3/cwt in 2016 and -\$4/cwt in 2017; a swing of \$8-9/cwt on the rail. A portion of the price spread can be explained by the strength in the Alberta market over the last several years. This can be measured with the Alberta to Nebraska cash to cash basis which has averaged \$3-8/cwt (rail) stronger in the last three years compared to the 10-year average. The rest of the difference must come from other market factors (e.g. feedlot leverage, carcass weights, quality grading, etc.). A weaker Ontario to Nebraska price spread at -\$12.60/cwt (live) in 2016 and -\$9.93/cwt (live) in 2017; compared to the 10-year average of -\$8/cwt (live) gives an indication of the portion of the price spread that cannot be attributed to Alberta market strength.



The price spread took a sharp correction in May – similar to what has been seen the last 2 years. This was driven partially by Alberta rail prices dropping \$25/cwt over the last two weeks. Alberta prices seasonally drop as larger supplies become available going into the summer months when demand is softer.

In addition, Ontario carcass weights dropped from 951 lbs the week of May 5<sup>th</sup> to 935 lbs the week of May 12<sup>th</sup>. As Ontario feedlots get more current, packers will be looking for more head to maintain production. Eastern Canadian steer slaughter will seasonally increase from a June low through to a September high. - Brenna Grant

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