



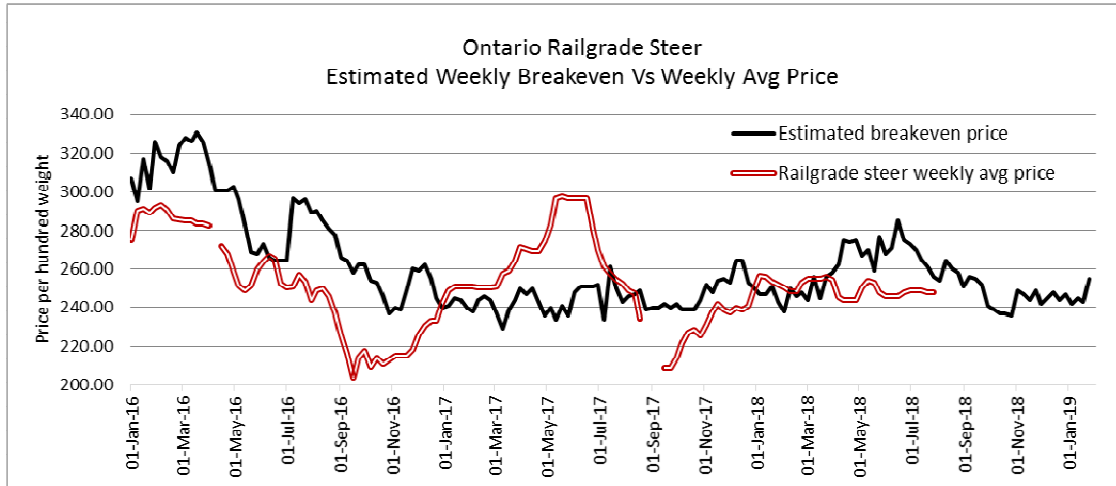
Daily Market Information Report - Friday, July 27, 2018

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. (Prices for today regardless of delivery date).

A Grade Steers 248.00 (one federal packer currently not bidding)
A Grade Heifers 247.00 (one federal packer currently not bidding)



The information provided on this report is based on weighted averages for actual data collected. Input costs are a guideline only and will vary from producer to producer. BFO does not take any responsibility and accepts no legal liability arising from or connected to damages or losses experienced by producers when using this information. This is to be used at your own risk.

ONTARIO LIVE CATTLE TRADE

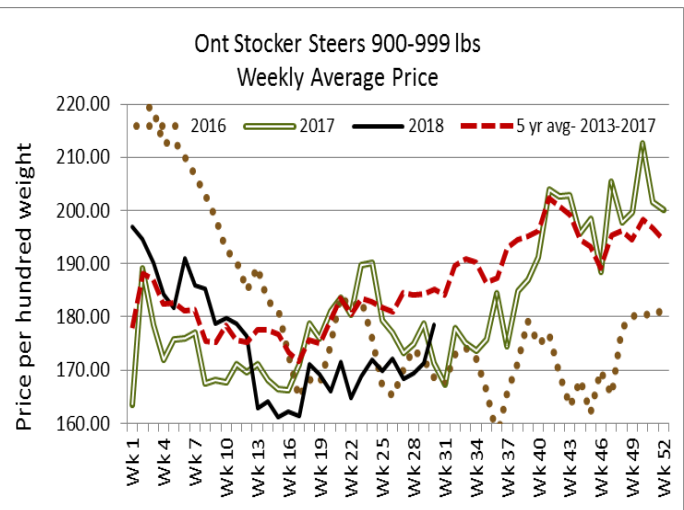
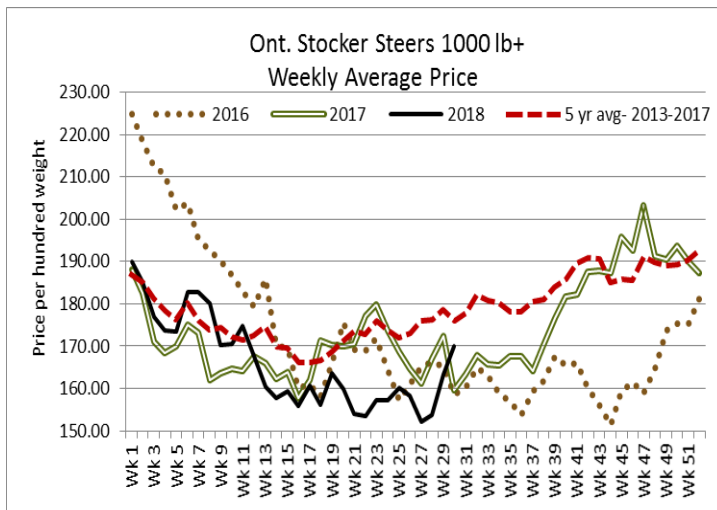
Today at **Brussels Livestock**: 1,100 stockers (200 yearlings to sell at time of reporting)

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
1000+	151.00-167.50	160.20	170.75	900+	147.00-176.00	157.45	179.00
900-999	156.00-183.00	169.80	191.00	800-899	157.50-175.00	165.98	175.00
800-899	176.00-195.00	188.15	207.00	700-799	151.00-186.00	173.57	186.00
700-799	189.00-219.50	204.20	224.00	600-699	167.00-198.00	181.88	198.00
600-699	191.00-232.00	206.78	280.00	500-599	171.00-201.00	185.64	201.00
500-599	205.00-257.00	228.30	257.00	400-499	182.00-225.00	205.15	225.00
400-499	239.00-281.00	256.73	281.00	300-399	222.00-230.00	226.00	230.00
399-	205.00-230.00	212.00	230.00				

Calves and yearlings are selling on a strong active trade at prices \$2.00-\$3.00 higher.

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

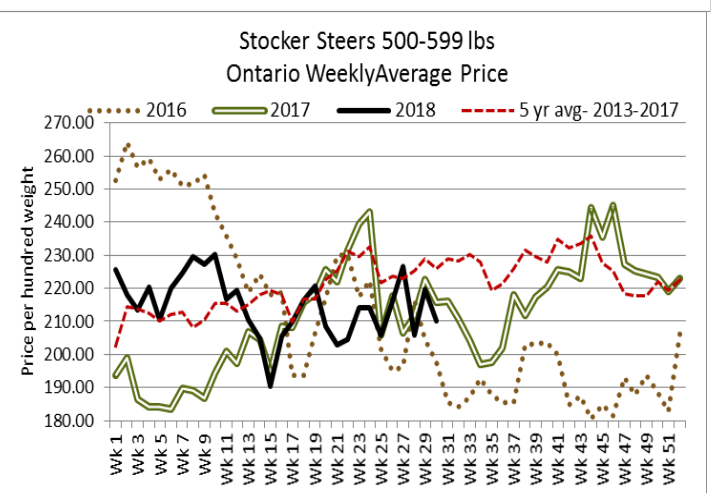
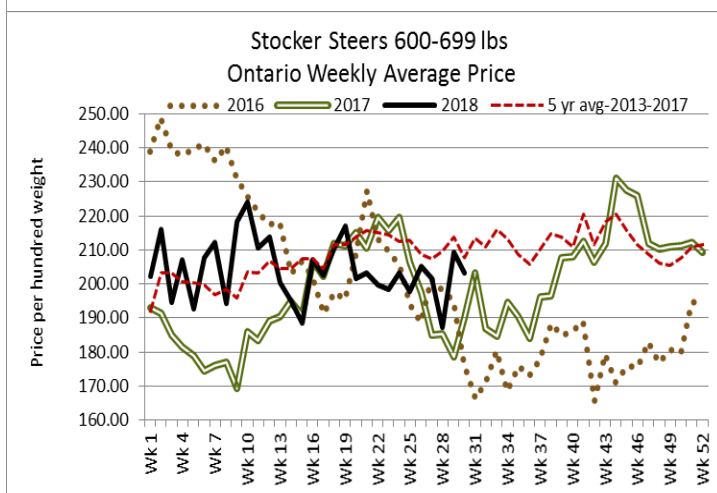
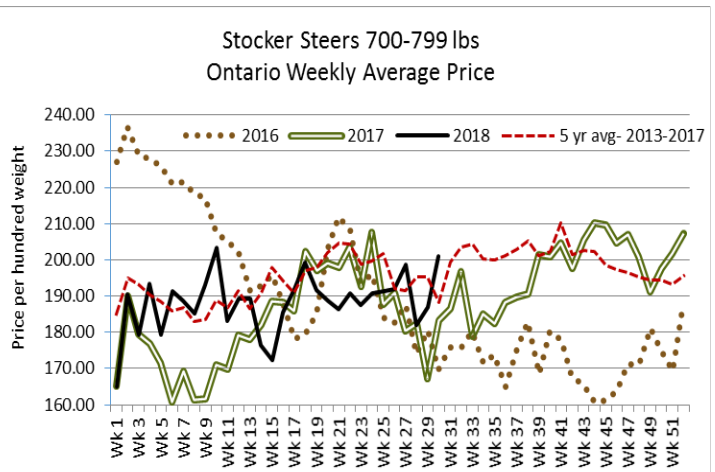
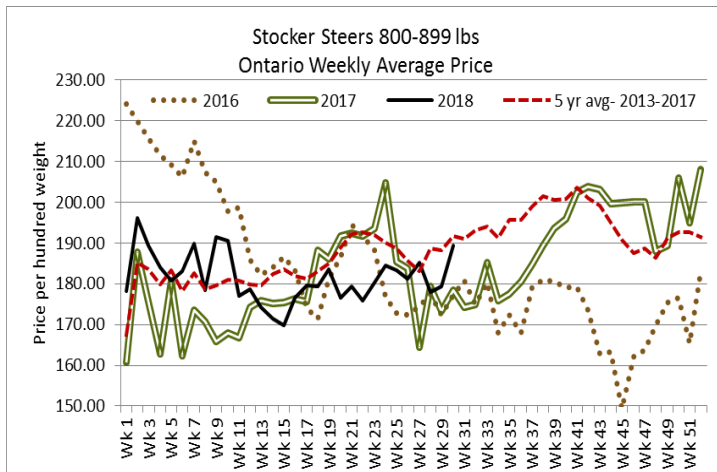
	Volume	Price Range	Average	Top
Large & Medium Frame Fed Steers +1250 lbs	73	115.18-144.93	135.41	148.00
Large & Medium Frame Fed Heifers +1000 lbs	33	120.00-140.50	132.76	140.50
Fed steers, dairy and dairy cross +1250 lbs	42	99.00-107.00	102.96	112.00
Fed heifers, dairy and dairy cross +1000 lbs.	26	76.12-98.73	87.76	104.50
Cows	619	49.25-78.39	63.59	113.00
Bulls under 1600 lbs	10	82.50-105.00	93.03	130.00
Bulls over 1600 lbs	10	79.70-109.60	90.61	150.00
Veal +600 lbs	199	100.13-120.53	111.55	175.00
Veal Calves 125 lbs & under	73	40.00-20.00	87.77	250.00



Stocker sale at: **Ontario Livestock Exchange, July 26, 2018– 259 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
700-799	176.00-205.00	185.80	205.00	600-699	115.00-175.00	158.04	175.00
600-699	167.50-210.00	189.27	227.50	500-599	124.00-167.50	144.80	167.50
500-599	182.50-215.00	197.33	225.00	400-499	215.00-225.00	221.00	225.00
400-499	120.00-250.00	197.92	250.00	300-399	130.00-235.00	192.50	235.00
399-	160.00-315.00	231.43	315.00				

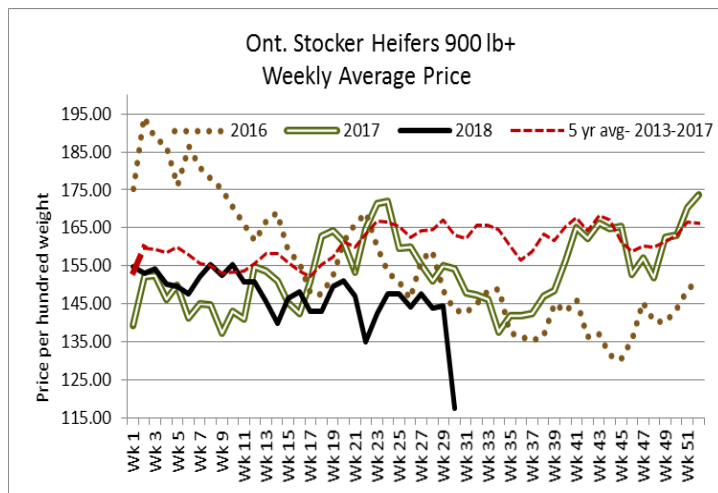
Stockers sold on a good active trade with light grass cattle selling stronger.



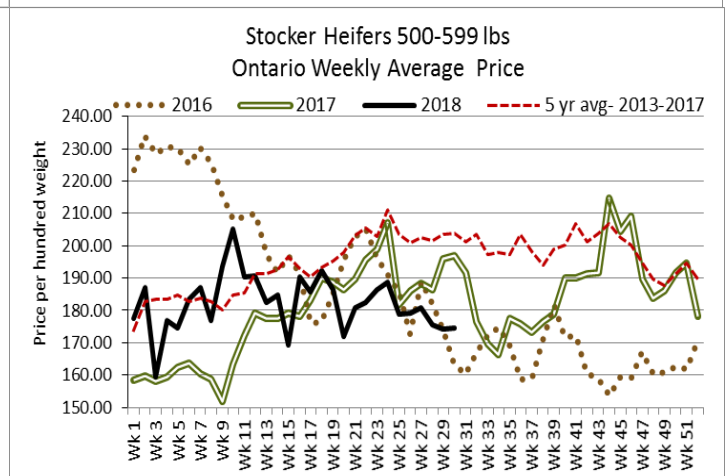
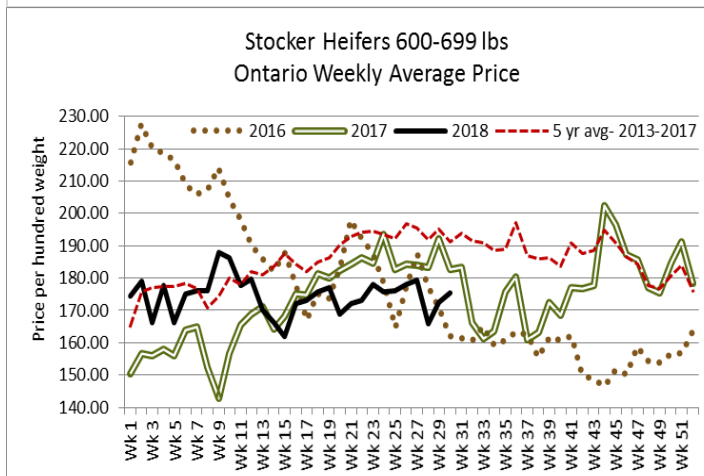
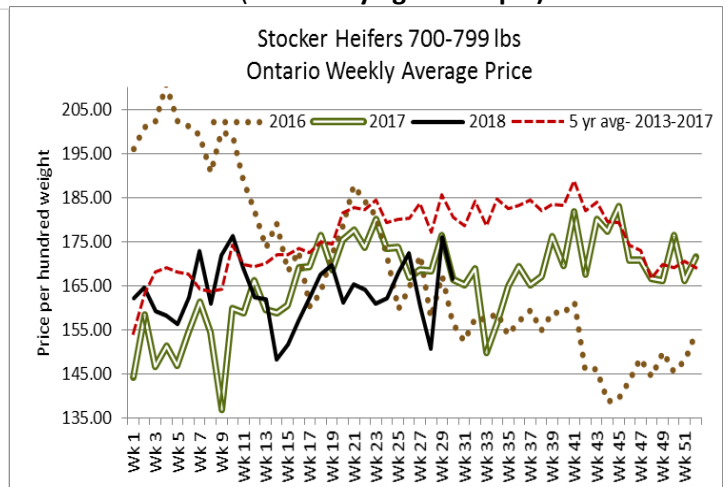
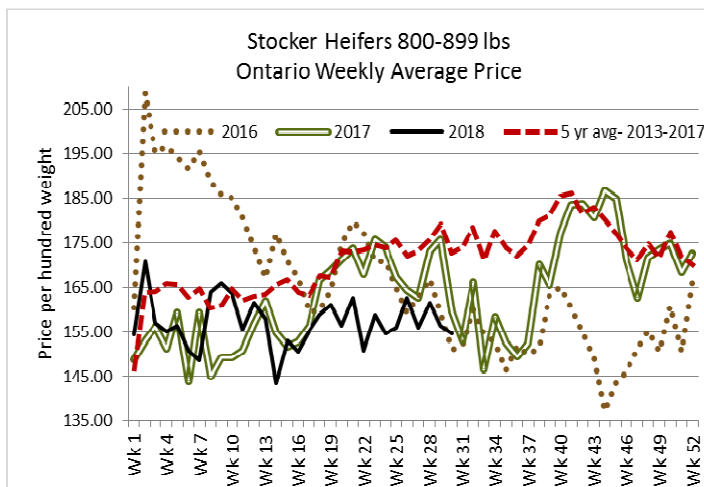
Stocker sale at: **Ontario Stockyards Inc. – July 26, 2018– 433 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
900-999	140.00-189.00	164.74	189.00	900+	92.50-145.00	127.15	145.00
800-899	155.00-201.50	190.95	201.50	800-899	120.00-142.50	136.57	165.00
700-799	190.00-220.00	198.87	220.00	700-799	140.00-190.00	164.92	190.00
600-699	180.00-240.00	216.43	245.00	600-699	169.00-208.50	187.43	208.50
500-599	200.00-252.00	225.86	263.00	500-599	160.00-208.50	185.81	212.50
400-499	177.50-212.50	199.26	237.00	400-499	172.50-190.00	182.29	210.00
399-	140.00-225.00	195.21	225.00				

Replacement cattle traded actively with prices fully steady to stronger.



(extremely light receipts)



Stocker sale at: **Ottawa Livestock Exchange, July 26, 2018– 107 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
700-799	118.00-188.00	160.86	188.00	500-599	132.00-188.00	159.83	188.00
600-699	164.00-215.00	188.00	215.00	400-499	138.00-186.00	162.73	186.00
500-599	180.00-247.00	218.10	247.00				
400-499	88.00-260.00	205.88	260.00				
399-	72.00-152.00	119.22	252.00				

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

	Choice 600-900	Select 600-900
Cutout Values (noon estimate):	205.11	198.57
Change (from yesterday's close):	+0.20	+0.30
Current Five Day Average:	204.64	197.77

QUEBEC ELECTRONIC AUCTION MARKET (F.O.B. THE FEEDLOT)

	Price	Change from Last Week
For the week ending July 26, 2018	244.25-247.00	+0.86

ALBERTA DIRECT TRADE

Alberta direct trade saw light trade on Thursday, with prices softer than Wednesday. Canfax notes that dressed prices were at \$250.00 delivered. Final results for the week reported by Canfax lists live steers from \$148.00-\$151.50 FOB, averaging \$150.60 down \$3.21 from last week, while heifers sold from \$148.00-\$150.00 FOB averaging \$149.54 down \$2.46 on average. On the rail steers and heifers sold from \$246.50-\$251.50 FOB, averaging \$247.87 for steers down \$7.06 on average, while heifers averaged \$248.29 down \$5.59 from last week.

Steers	Live	148.00-151.50	Rail FOB	246.50-251.50
Heifers	Live	148.00-150.00	Rail FOB	246.50-251.50

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

The U.S. cash cattle trade remains untested with bids sitting at \$110.00 live in the south, with bids in the north from \$109.00-\$110.00 live and \$174.00-\$176.00 dressed. Asking prices are sitting at \$115.00-\$116.00 live in the south and \$180.00-\$183.00 dressed in the north. Packer interest is improving but trade could still be delayed until late in the afternoon or early evening as neither side is showing any sign of budging on the price, at this time.

Choice and Select Steers and Heifers:	Live	N/T
	Rail	N/T

CHICAGO MERCANTILE EXCHANGE

Closing quotes on futures today were as follows:

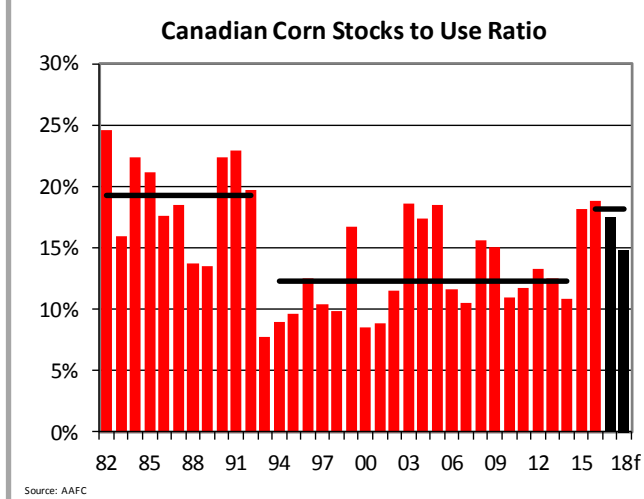
Live Cattle			Feeder Cattle			Corn			Soybeans			Canadian		
Aug	108.62	+0.67	Aug	152.30	+0.87	Sep	3.620	+0.4	Aug	8.704	+9.2	Spot	76.53	+0.01
Oct	110.47	+1.10	Sep	152.17	+0.35	Dec	3.762	+0.4	Sep	8.752	+9.0	Sep	76.59	+0.01
Dec	114.15	+0.50	Oct	152.75	-0.12	Mar	3.866	+0.4	Nov	8.852	+9.2	Dec	76.71	+0.01
Feb	117.37	+0.05	Nov	152.50	-0.62	May	3.924	+0.4	Jan	8.954	+9.2	Mar	76.83	+0.01
Apr	118.70	-0.12	Jan	150.80	-0.47	Jul	3.976	+0.4	Mar	9.044	+9.0	Jun	76.94	+0.01
Jun	112.07	-0.15	Mar	149.45	-0.40	Sep	3.986	+1.0	May	9.132	+8.6	Sep	77.04	+0.01

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Feed Grains

Statistics Canada is projecting Canadian corn production to be up 3% to 14.5 million tonne in the 2018/19 crop year with a larger seeded area and average yields. Since the early 1990s corn production has been increasing on average 4% per year. Larger production has supported larger ending stocks at over 2.3 million metric tonne since 2015/16 compared to a historic average of 1.3 million metric tonne. The stocks to use ratio (which provides an indication of the percentage annual use of a crop at the end of the year), has averaged 18% over the last three years, up from the 1993-2014 average of 12% similar to the level seen in the 1980s of 19%. But this is forecast to dropped down to 15% in 2018/19. While stocks to use is expected to be tighter, it should be remembered that it remains historically high.

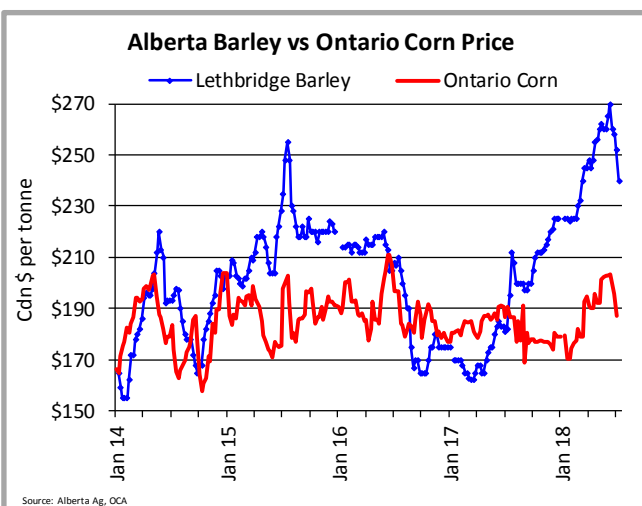


Corn used for feed (waste and dockage) made a low in 2012 and has since been increasing. Corn going into ethanol production has been relatively steady since 2011 around 5.25 million metric tonnes.

US corn production has already been increasing 4% per year since the early 1990s but peaked in 2016 at 15.15 billion bushels. Production was down 4% last year and is projected to be down another 3% in 2018 with ending stocks to use ratio be pulled down to 12% from 16% in the 2017/18 crop year. That said, crop conditions stateside are very positive with 72% of corn being in good to excellent condition compared to 62% last year.

Since 2014, Ontario corn prices have generally ranged between \$160-200/tonne. Ontario and Omaha corn tend to move in tandem, with Omaha corn having a feed advantage in the second half of 2016 and 2017. Ample US production and trade uncertainty, specifically for US soybeans, is expected to maintain that price relationship.

Of greater interest is the feeding advantage Ontario has over Alberta. While western Canadian barley prices have come down from the peak in early June, they remain substantially higher than Ontario corn – making it attractive to bring feeder cattle east.



Lower feed grain prices since early June are supportive to feeder and calf prices this fall. A general rule of thumb is that every \$0.50/bushel drop in feed grain prices adds around \$10/cwt to calf prices, assuming all other variables constant. The current price spread between Alberta barley and Ontario corn of \$14-20/tonne (\$0.35-0.50/bu) would suggest a spread in feeder cattle of \$7-10/cwt.

Bottom line: Large corn production and a higher stocks to use ratio are currently supporting a feeding advantage in Ontario. -

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