



Weekly Market Information Report for the week ending Thursday November 29, 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. Weekly Range:

A Grade Steers	244.00- light receipts with limited packer interest
A Grade Heifers	243.00- light receipts with limited packer interest

ONTARIO LIVE CATTLE TRADE

Ontario auction sales this week saw weighted average price ranges for:

FED CATTLE	Volume	Price Range	Average	Top	Last Week Avg
Large Frame Steers +1250	65	108.33-138.96	127.09	141.50	130.22
Medium Frame Steers +1250	57	119.25-137.72	127.43	141.00	131.88
Large & Medium Frame Steers +1250	122	108.24-137.12	126.99	141.50	132.13
Large Frame Heifers +1000	151	125.35-138.67	133.57	144.00	127.42
Medium Frame Heifers +1000	63	117.42-135.91	127.86	148.00	106.39
Large & Medium Frame Heifers +1000	212	124.48-138.82	133.12	148.00	122.54
Cows - All Weights	2,768	34.31-52.44	42.18	97.00	40.11
Bulls - All Weights	119	62.75-84.78	71.86	111.00	70.81

STOCKERS - Large and Medium Frame

STEERS	Volume	Price Range	Average	Top	Last Week Avg
1000+	516	152.96-192.21	181.36	200.00	182.00
900-999	275	168.53-201.19	190.70	208.00	195.71
800-899	249	161.17-193.79	181.45	208.00	183.58
700-799	431	143.60-199.09	177.74	207.00	184.35
600-699	769	142.51-210.93	185.34	231.00	193.36
500-599	932	154.12-223.21	195.83	257.00	196.84
400-499	450	163.81-226.71	200.96	256.00	197.39
-399	211	140.92-211.33	178.86	272.50	169.83

HEIFERS	Volume	Price Range	Average	Top	Last Week Avg
+900	399	134.60-156.30	145.82	173.50	144.16
800-899	274	137.40-167.19	153.13	175.25	147.52
700-799	286	121.81-165.03	145.87	175.00	154.97
600-699	566	121.20-181.20	153.85	207.00	161.93
500-599	816	139.87-190.25	168.36	239.00	164.27
400-499	479	139.54-192.75	167.98	220.50	163.97
300-399	149	128.04-180.82	154.41	227.50	153.26
-299	18	109.08-114.08	113.38	180.00	129.17

At Kawartha Lakes Community Sale Barn, November 24, 2018 – 132 cows, 16 bulls, 60 veal, 36 stockers, 4 fed cattle

	Price Range	Avg.	Top
Cows	35.00-60.00	43.82	67.50
Bulls under 1600 lbs	52.50-78.00	58.20	78.00
Bulls over 1600 lbs	62.00-78.50	70.98	78.50
Veal 600 lbs +	72.50-116.00	94.40	130.00
Veal 125 lbs & under	50.00-170.00	94.65	170.00

Denfield Livestock Exchange Inc., November 27, 2018: 36 Fed Cattle, 44 Veal, 8 Bulls, 88 Cows & 157 Drop Calves

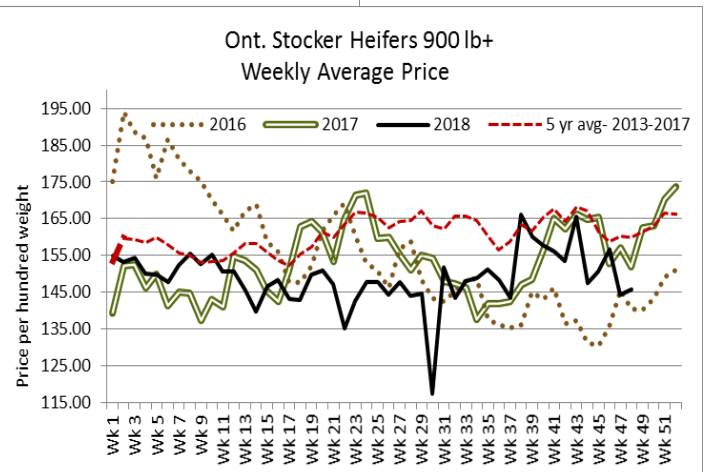
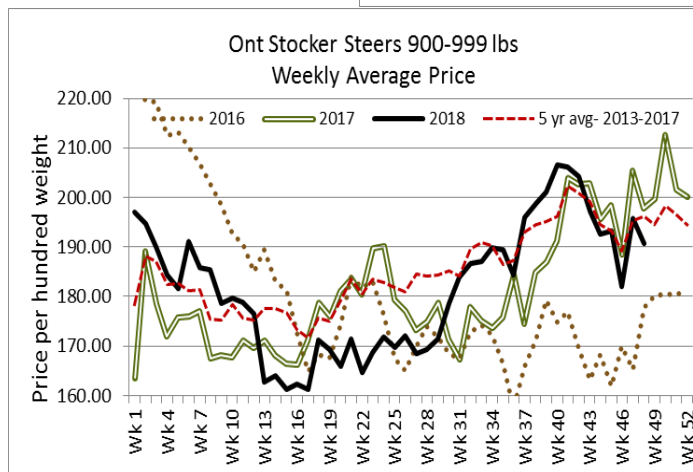
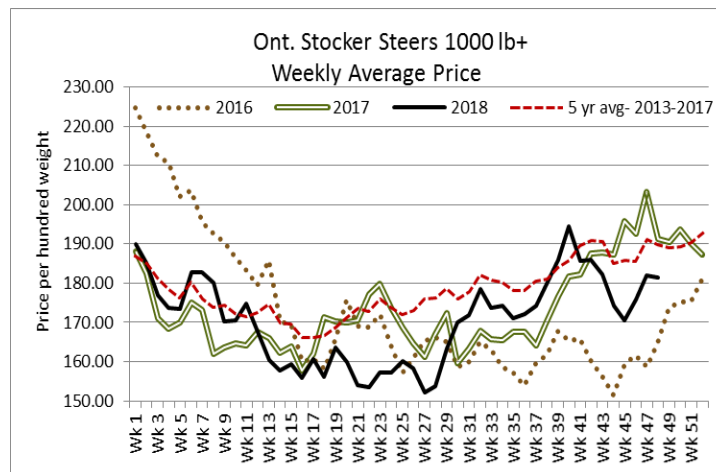
	Price Range	Top		Price Range	Top
Choice steers	140.00-145.00	157.00	Good beef cows	45.00-55.00	65.00
Good steers	135.00-140.00		Good Holstein cows	40.00-50.00	
Choice heifers	140.00-145.00		D1 & D2 Cows	35.00-40.00	
Good heifers	135.00-140.00		D3 & D4 Cows	25.00-35.00	
Good Holstein veal	105.00-125.00	135.00	Choice drop calves	\$100.00-\$150.00/hd	\$300.00/hd
Plain & heavy veal	90.00-105.00		Good drop calves	\$60.00-\$100.00/hd	
Good beef bulls	65.00-81.00		Plain & Newborns	\$20.00-\$50.00/hd	

At Renfrew Pontiac Livestock Ltd.: November 27, 2018 - 8 Replacement Calves, 79 Cows, 10 Bulls

	Price Range	Top
Replacement Calves	25.00-75.00	140.00
Cows – D1 & D2	62.00-72.00	80.00
Cows – D3	54.00-58.00	
Cows – D4	39.00-53.00	
Bulls	68.00-82.00	92.00

At Aylmer Stockyards Inc.: November 28, 2018 –69 Veal, 231 Cows, 46 Fed Cattle, 3 bulls

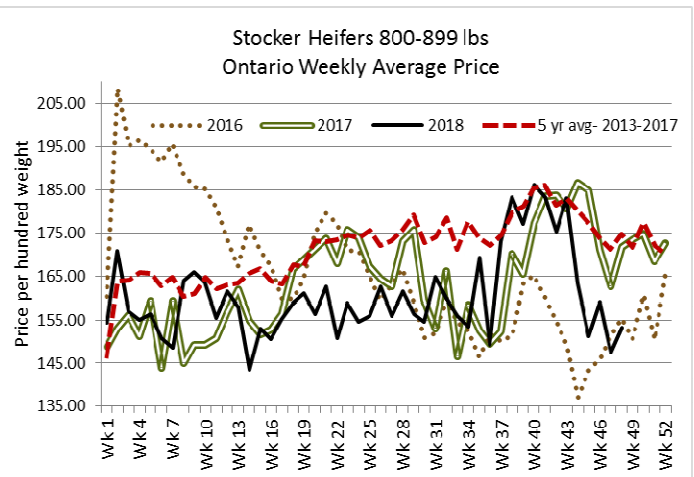
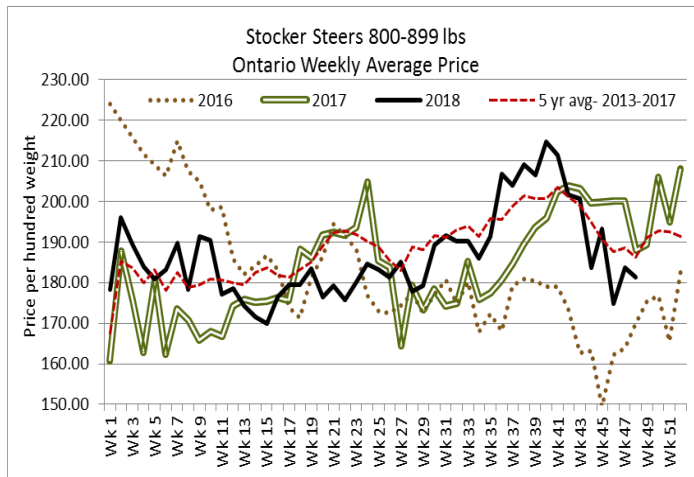
	Price Range	Average	Top
Fed heifers, dairy and dairy cross +1000 lbs	60.99-101.49	85.49	101.49
Cows	28.99-58.49	43.19	58.49
Veal over 600 lbs	83.99-148.99	118.19	148.99



ONTARIO STOCKER & FEEDER TRADE

Stocker sale at **Brussels Livestock: November 23, 2018 – 1,831 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
1000+	143.00-192.50	178.66	192.50	900+	147.00-165.25	156.22	173.50
900-999	160.00-201.00	186.17	201.00	800-899	148.00-175.25	160.71	175.25
800-899	166.00-200.00	184.56	200.00	700-799	135.00-170.00	150.76	175.00
700-799	160.00-207.00	188.60	207.00	600-699	122.00-177.00	150.00	190.00
600-699	133.00-204.00	170.06	225.00	500-599	142.00-189.00	167.82	207.00
500-599	163.00-232.75	203.23	238.00	400-499	132.00-195.00	164.03	207.00
400-499	159.00-225.00	195.96	227.00	300-399	139.00-170.00	153.88	195.00
399-	137.00-220.00	178.13	220.00				



Stocker sale at: **Community Livestock Exchange: November 27, 2018 – 216 Stockers**

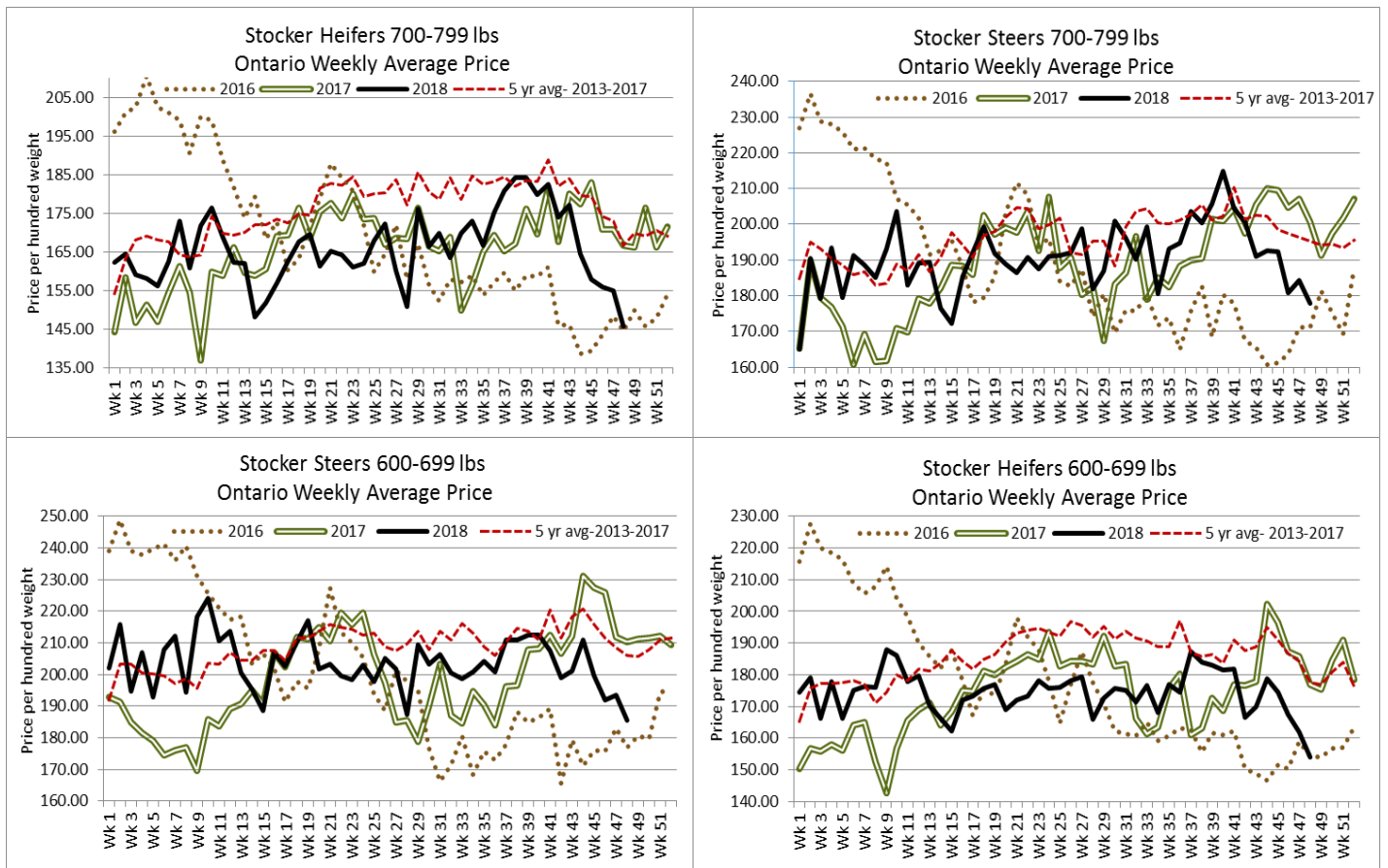
Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
700-799	110.00-166.99	148.59	166.99	600-699	100.00-132.49	119.19	132.49
600-699	84.99-190.99	133.49	204.99	500-599	100.00-170.99	136.09	170.99
500-599	114.99-229.99	193.10	229.99	400-499	117.50-179.00	152.69	179.00
400-499	190.99-247.99	221.89	247.99				

Stocker sale at: **Keady Livestock Market: November 27, 2018 – 444 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
900-999	173.00-201.25	184.83	201.25	700-799	131.00-160.00	149.20	160.00
800-899	140.00-195.50	183.28	195.50	600-699	135.00-184.00	168.85	184.00
700-799	130.00-175.00	152.50	175.00	500-599	137.50-181.00	159.77	239.00
600-699	157.50-209.00	187.24	209.00	400-499	135.00-199.00	173.15	212.00
500-599	167.50-217.50	194.47	225.00	300-399	135.00-205.00	165.77	205.00
400-499	145.00-240.00	192.42	240.00				
399-	135.00-207.00	173.45	235.00				

Stocker sale at: **Renfrew Pontiac Livestock: November 27, 2018 – 469 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
700-799	130.00-192.99	167.39	192.99	700-799	81.99-162.99	135.69	162.99
600-699	114.99-214.00	190.90	214.00	600-699	84.99-164.50	138.90	164.50
500-599	130.00-222.99	195.70	222.99	500-599	119.99-169.99	145.30	169.99
400-499	125.00-220.99	194.39	220.99	400-499	125.00-169.99	147.10	169.99
399-	160.00-227.49	199.50	227.49	300-399	122.50-176.00	146.70	176.00



Stocker sale at **Aylmer Stockyards Inc: November 28, 2018 – 155 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
600-699	145.99-231.00	181.69	231.00	700-799	101.00-150.00	140.59	150.00
500-599	128.00-175.00	166.90	175.00	500-599	129.0-168.99	155.29	168.99
400-499	141.99-219.49	195.39	219.49	400-499	134.00-195.99	158.20	195.99

Stocker sale at **Ontario Livestock Exchange: November 28, 2018 – 488 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
1000+	168.00-200.00	189.78	200.00		N/T		
900-999	191.50-208.00	201.98	208.00				
800-899	206.50-208.00	207.57	208.00				

Stocker sale at: **Ontario Livestock Exchange, November 29, 2018– 342 Stockers**

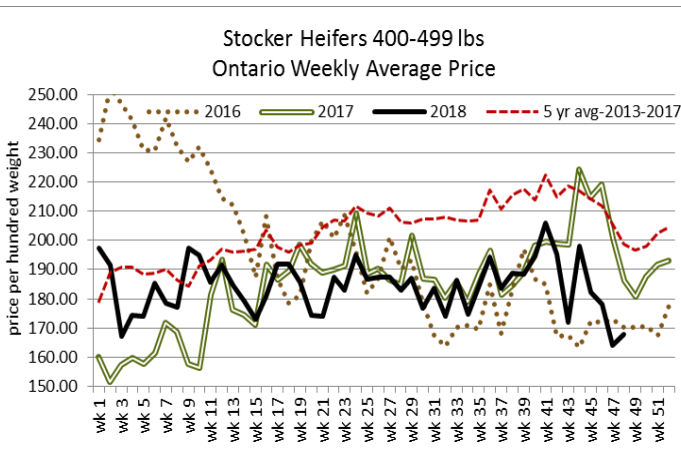
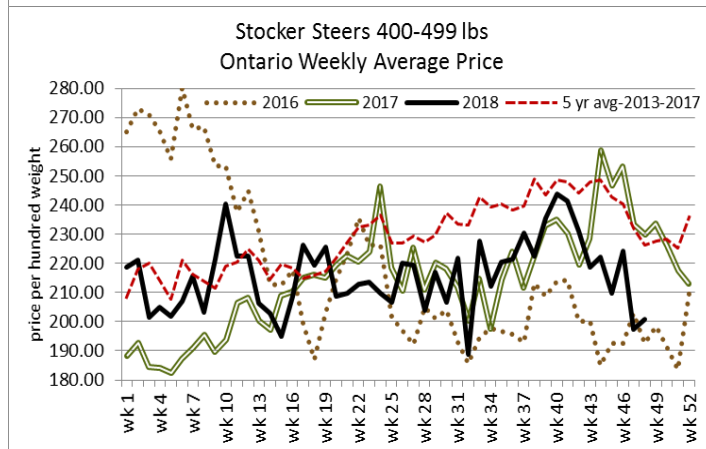
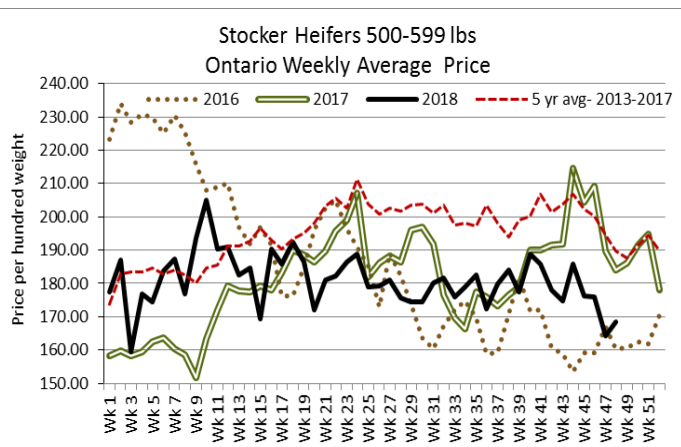
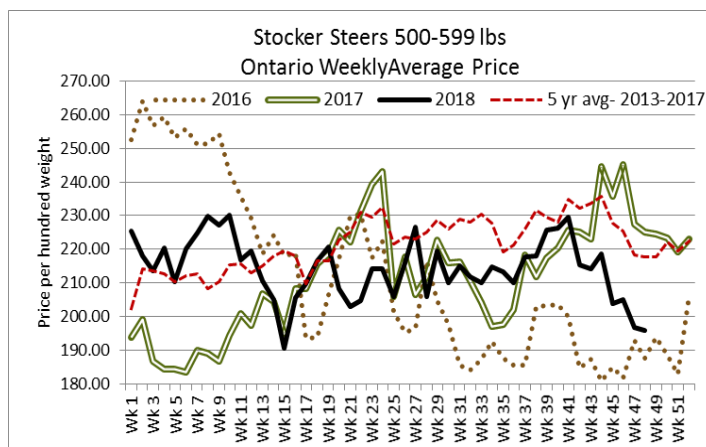
Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
800-899	199.00-205.00	201.57	205.00	600-699	120.00-142.50	132.25	142.50
700-799	77.50-170.00	136.05	170.00	500-599	117.50-152.50	136.62	152.50
600-699	108.00-162.50	127.70	172.50	400-499	100.00-157.50	1416.7	157.50
500-599	120.00-168.00	152.21	177.50	300-399	110.00-150.00	137.25	150.00
400-499	137.50-197.50	173.27	197.50				
399-	85.00-175.00	127.64	195.00				

Stocker sale at: **Ottawa Livestock Exchange, November 29, 2018– 192 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
700-799	146.00-179.00	168.36	179.00	600-699	122.00-155.00	142.08	155.00
600-699	148.00-188.00	170.65	188.00	500-599	112.00-170.00	146.41	170.00
500-599	147.00-194.00	169.23	202.00	400-499	110.00-144.00	128.38	164.00
400-499	108.00-210.00	167.88	210.00	300-399	71.00-168.00	114.70	192.00
399-	74.00-164.00	126.40	220.00				

Stocker sale at: **Ontario Stockyards Inc. – November 29, 2018– 943 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
1000+	109.00-163.00	148.52	163.00	900+	99.50-137.00	121.43	137.00
900-999	120.00-175.00	150.86	175.00	800-899	90.00-160.00	133.87	160.00
800-899	127.50-160.00	138.54	170.00	700-799	132.50-170.00	148.06	170.00
700-799	158.00-198.00	176.31	198.00	600-699	119.00-186.00	144.16	207.00
600-699	174.00-214.00	199.10	214.00	500-599	125.00-181.00	152.86	199.00
500-599	160.00-219.00	190.98	231.00	400-499	140.00-186.00	162.29	200.00
400-499	180.00-226.00	203.82	227.50	300-399	105.00-182.50	142.23	200.00
399-	150.00-220.00	185.91	250.00	299-	90.00-100.00	98.59	112.50



ONTARIO STOCKER & FEEDER TRADE SPECIAL FALL STOCKER SALES

Stocker sale at **Community Livestock Exchange: November 23, 2018 – 869 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
1000+	115.99-179.00	172.30	179.00	800-899	122.50-165.50	161.09	165.50
900-999	113.99-194.79	18/6.20	194.79	700-799	122.50-172.99	154.40	172.99
800-899	130.00-188.19	181.60	188.19	600-699	107.49-206.99	164.99	206.99
700-799	119.99-204.00	177.49	204.00	500-599	102.49-204.00	165.99	204.00
600-699	130.00-230.50	198.50	230.50	400-499	102.49-194.99	146.140	206.99
500-599	130.00-242.49	203.50	242.49	300-399	102.49-193.99	169.19	193.99
400-499	139.99-227.49	192.99	227.49				
399-	167.50-224.00	191.99	224.00				

Quinte Cattlemen's Sale- Bidding was active for top quality steers and select lots of fancy exotic heifers. Plainer cattle and heifers, generally, were under pressure.

Stocker sale at **Keady Livestock Market, November 23, 2018 - 551 stockers – Calf Sale**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
700-799	196.50-205.50	199.83	205.50	700-799	125.00-167.00	147.74	167.00
600-699	191.00-201.00	198.08	211.00	600-699	170.00-179.00	173.25	179.00
500-599	195.00-234.00	216.86	257.00	500-599	160.00-205.00	188.43	213.00
400-499	232.50-256.00	248.14	256.00	400-499	190.00-220.50	210.55	220.50
399-	192.50-269.00	251.81	272.50	300-399	200.00-227.50	208.96	227.50

The market traded at fully steady prices.

Stocker sale at **Vankleek Hill Livestock Exchange: November 28, 2018 – 258 Stockers**

Steers	Price Range	Average	Top	Heifers	Price Range	Average	Top
800-899	130.00-180.00	158.22	180.00	600-699	144.00-184.00	172.20	193.00
700-799	142.00-202.00	171.52	202.00	500-599	158.00-190.00	174.25	190.00
600-699	152.00-210.00	184.72	210.00	400-499	120.00-168.00	148.06	168.00
500-599	158.00-219.00	188.21	219.00				
400-499	132.00-214.00	175.74	214.00				
399-	164.00-208.00	183.96	208.00				

LIVE CATTLE EXPORTS-ONTARIO

	Week ending Nov. 10, 2018	Week ending Nov. 3, 2018	Year to Date
Total live slaughter cattle exported from Ontario to the U.S.	2,470	2,592	100,849
Steers & Heifers & Cows	2,342	2,255	87,382
Bulls	128	337	13,467

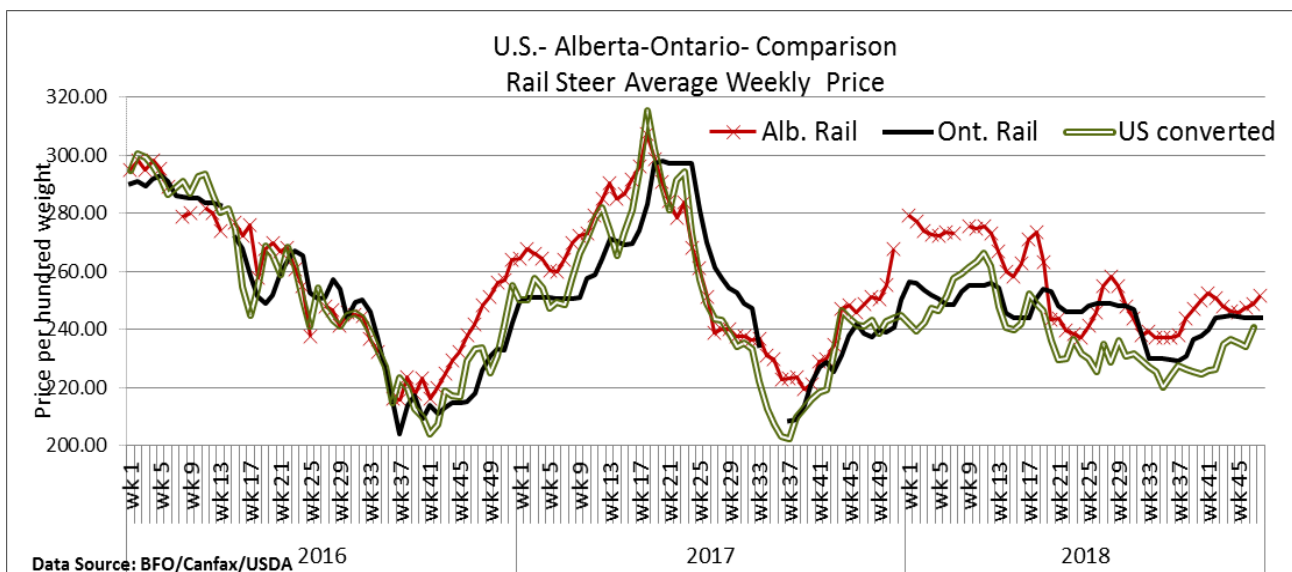
QUEBEC ELECTRONIC AUCTION MARKET (F.O.B. THE FEEDLOT)

	Price	Change from Last Week
For the week ending November 29, 2018	233.00-236.25	-1.00

ALBERTA DIRECT TRADE

For the week ending Thursday, November 29, 2018

Steers	Live FOB	150.00	Rail FOB	251.50
Heifers	Live FOB	148.50	Rail FOB	250.50-251.50



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

For the week Ending Thursday, November 29, 2018

Choice and Select Steers and Heifers: Live 114.00-116.75 limited numbers-not enough to establish a market.
Rail 178.00-185.00- limited numbers-not enough to establish a market.

FEDERALLY INSPECTED CANADIAN PROCESSING

	Week Ending Nov 24, 2018	# of hd change from week ago	YTD	% Change (Week Ago)	% Change (Year Ago)
Grand Total	65,819	+7,988	2,664,167	14%	+6%
Western Slaughter	52,276	+8,383	2,081,718	+19%	+7%
Eastern Slaughter	13,543	-395	582,449	-3%	+4%

AVERAGE CARCASS WEIGHTS – CANADA

	Steers	Heifers
Nov 17, 2018	928	866
Nov 10, 2018	929	856
Nov 18, 2017	925	837

USDA ESTIMATED CATTLE PROCESSING VOLUME

	Week Ending November 24, 2018	Previous Week	Year Ago
Grand Total	643,000	573,000	643,000

CANADIAN BOXED BEEF CUT-OUT VALUES

Week Ending	AAA	AA
November 16, 2018	2.6775	2.5621
November 9, 2018	2.6906	2.6403
November 2, 2018	2.6637	2.4965

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

	Choice 600-900	Select 600-900
Current Five Day Average:	213.64	199.11

LIVE CATTLE – CANADA

IMPORTS			EXPORTS		
	Import % change from 2017 YTD			Export % change from 2017 YTD	
<i>Jan 1- Sept 30/18</i>			<i>Jan 1- Nov 17/18</i>		
Pure bred	4,359	-19%	Slaughter steers & heifers & cows	339,750	-18%
Non-pure bred	112,515	+113%	Feeder cattle & calves	179,945	+62%
			Bulls	40,403	-15%

BEEF EXPORTS – CANADA

United States			Mexico		
	Change from last year YTD			Change from last year YTD	
<i>Jan 1- Sept 30/18</i>			<i>Jan 1- Sept 30/18</i>		
Total	220,852 tonnes	+6% or +11,704 tonnes	11,128 tonnes	-16% or -2,123 tonnes	

BEEF PRODUCTION – CANADA

	Jan 1 – Nov 24/18	Last Year Same Time	% Change
Fed	895,489 tonnes	851,517 tonnes	+5%
Non-fed	155,864 tonnes	137,874 tonnes	+13%

BEEF IMPORTS – CANADA

	<i>Jan 1 – Nov 24/18</i>	<i>Last Year Same Time</i>	<i>% Change</i>
United States	109,183 tonnes	109,920 tonnes	-1%
Non-NAFTA	43,513 tonnes	43,541 tonnes	0%
EU-28 (beef/veal total)	1,841 tonnes	1,936 tonnes	-5%
Total	162,281 tonnes	159,889 tonnes	+2%

CHICAGO MERCANTILE EXCHANGE

Closing quotes on futures today were as follows:

Live Cattle			Feeder Cattle			Corn			Soybeans			Canadian \$		
Dec	116.92	+0.32	Jan	145.22	-0.75	Dec	3.664	+6.2	Jan	8.946	+7.4	Spot	75.24	-0.08
Feb	120.50	+0.22	Mar	142.85	-0.82	Mar	3.776	+4.45	Mar	9.074	+7.0	Dec	75.26	-0.09
Apr	122.00	+0.12	Apr	143.62	-0.75	May	3.850	+4.4	May	9.204	+6.6	Mar	75.41	-0.09
Jun	113.65	-0.17	May	143.95	-0.52	Jul	3.914	+4.4	Jul	9.324	+6.2	Jun	75.53	-0.08
Aug	111.57	-0.10	Aug	148.17	-0.52	Sep	3.940	+4.0	Aug	9.366	+6.0	Sep	75.64	-0.08
Oct	113.07	-0.05	Sep	147.77	-0.25	Dec	3.996	+3.6	Sep	9.362	+6.0	Dec	75.75	-0.07

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UPCOMING ONTARIO AUCTION MARKETS SPECIAL FALL SALES

Dec 1	11:00 am	Denfield Livestock Exchange	Vaccinated Stocker & Bred Cow, Cow/Calf Pair Sale
Dec 6	11:00 am	Ontario Stockyards	All Vaccinated Stocker Sale (in regular sale)
Dec 7	5:00 pm	Keady Livestock Market	Special Bred Heifer and Cow Sale
Dec 12	10:00 am	Kawartha Lakes Community Sale Barn	Fall Stocker Sale
Dec 13	11:00 am	Ontario Stockyards Inc	All Vaccinated Stocker Sale (in regular sale)
Dec 18	9:00 am	Keady Livestock Market	Last sale of 2018

Comments for the week ending November 29, 2018

334 fed steers and heifers sold through auction markets this week, down 45 head from last week and 139 less than the same time last year. Fed steers sold from \$108.24-\$137.12 with a weekly weighted average price of \$126.99 down \$5.14 from last week and \$8.88 below year ago prices. Volumes of fed steers were much lighter this week with the quality affecting the pricing. Fed heifers sold from \$124.48-\$138.82 averaging \$133.12 up \$10.58 from last week and \$3.63 below last year at this time. Larger volumes of heifers and better quality were noted. Auction markets reported trade as steady to about steady, with demand selective in spots and one auction noting a few fancy kinds trading higher.

Ontario railgrade deals were light again this week at continued steady prices of \$244.00 for steers and \$243.00 dressed for heifers. Packer buying interest has been noted as limited to light with one packer picking up a few here and there. This week's average prices are steady to last week and \$6.50 above year ago prices, with delivery anywhere from next week through to the last week of December.

2,768 fed/cull cows sold through auction markets this week up 327 from last week and 344 more than last year at this time. Cows traded from \$34.31-\$52.44 with a weekly weighted average price of \$42.18 which is up \$2.07 from last week and the first time in nine weeks that the market has been stronger. This week's average prices are \$19.86 lower than last year at this time. Auction markets reported trade as about steady to steady, with one report of higher prices the first half of this reporting week. The second half of the week saw prices about steady to barely steady, on a selective demand but by Thursday the market was active at stronger prices.

Lighter receipts of 6,820 stocker and feeder cattle sold through auction markets this week, down 627 head from last week and 781 fewer than the same week last year. Auction markets reported calves as steady to fully steady on the good quality, with second cut and non-vaccinated calves selling under pressure. Heavier cattle were steady on the top quality with plainer types and medium quality under pressure. By mid-week, heavy feeder cattle were noted as trading actively at prices \$3.00-\$5.00 cwt stronger than last week. Actual average prices for the week in Ontario, saw steers 400-500 lbs up \$3.57 from last week on average, steers 500-600 lbs were down \$1.01, 600-700 lbs down \$8.02, 700-800 lbs down \$6.61, 800-900 lbs down \$2.13, 900-1000 lbs down \$5.01 and steers 1000 lbs and over were down \$0.64 from last week on average. Heifers from 300-400 lbs were up \$1.15 from last week's weighted average price, with heifers 400-500 lbs up \$4.01, 500-600 lbs were up \$4.09, 600-700 lbs down \$8.08, 700-800 lbs down \$9.10, 800-900 lbs up \$5.61 and heifers 900 lbs and over averaged \$1.66 stronger than last week, on average.

The Quebec electronic market this week ranged from \$233.00-\$236.25 dressed, down \$1.00 from last week on average.

Alberta direct trade this week was light with prices reported by Canfax as steady to \$1.00 cwt higher. Canfax notes prices from \$252.00-\$253.00 delivered on a dressed basis. Prices for cattle picked up were reported at \$150.00 live for steers and \$148.50 for heifers, averaging \$1.60 stronger on the steers. On the rail steers sold at \$251.50 up \$2.78 on average, while dressed heifers sold from \$250.50-\$251.50 picked up, averaging \$251.27 up \$2.47 from the week before. Canfax reports that "feedlot market ready supplies are trending more current and this week's offering saw an increased volume of weight sorted heifers on offer." Canfax also noted that a good portion of this week's show lists will be carried over to next week.

US cash cattle trade for the week ending November 23rd was stronger with the USDA Mandatory Price Report listing live sales for the week from \$110.00-\$117.00, with steers averaging \$115.39 up \$2.39 from the previous week while heifers averaged \$115.90 up \$2.60. On the rail steers and heifers traded from \$176.00-\$185.00, with steers averaging \$181.89 up \$4.51 from the previous week while heifers averaged \$182.24 up \$4.46.

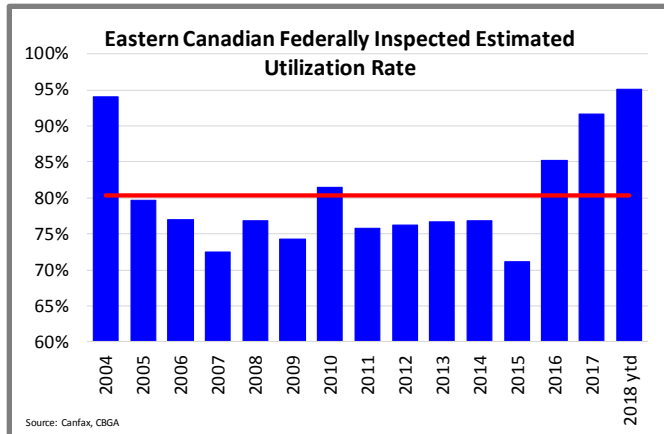
This week, the U.S. cash market has been fairly quiet. On Wednesday at the Fed Cattle Exchange online auction there were 620 head on offer, in 7 lots with delivery in 1-9 days on two lots and 1-17 days on the remainder. Five lots were asking \$116.00, one lot \$116.50 and one lot \$117.00 live. One lot of steers asking \$116.00 live saw some active bidding and sold at \$116.75, while all other lots saw no bids and were left unsold. On the cash market, a few sales here and there were noted through the week from \$114.00-\$116.75 live and \$178.00-\$185.00 dressed which is steady to last week's ranges, but not enough have traded to establish any kind of market. At time of reporting, bids are sitting at \$112.00 live in the south and \$180.00-\$183.00 dressed in the north, but bids are not getting any cattle bought. Asking prices are holding firm at \$120.00 live in the south and \$187.00 plus dressed in the north. At this point trade could be delayed until late afternoon or even into the early evening.



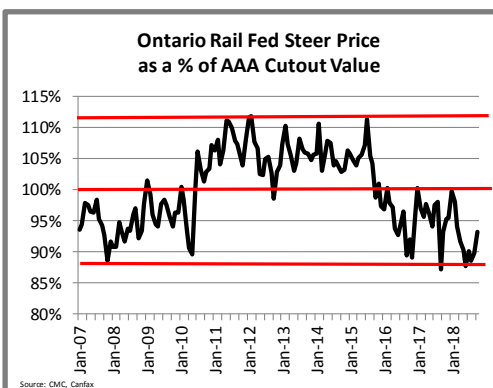
Who has the leverage?

From January to mid-November 2018 eastern cattle slaughter is up 4% from last year. Steer slaughter up 3%, heifers down 1%, cows up 16% and bulls down 23%. Ontario represents 94% of total eastern Canadian slaughter.

Utilization rates in eastern Canadian packing plants has historically been around 80%. That shifted with plant closures - Les Viandes Laroche in October 2015 and Les Viandes Valleyfield in March 2016. This put leverage in the hands of the packers with utilization rates increasing to 85% in 2016, 92% in 2017 and 95% year to date in 2018. Utilization is calculated based on a five-day week at plants and therefore any Saturday kills can increase utilization rates to 120% on a weekly basis. In addition to reduced capacity, packers are bidding to keep more fed cattle in Canada to be processed. Ontario fed cattle exports are down 13% from January through September. This has contributed to the larger slaughter volumes and improved utilization rates.

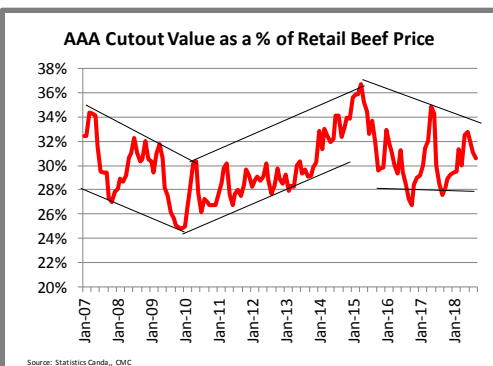


Despite aggressive slaughter volumes that would be expected to pull cattle forward, Ontario steer carcass weights have been steady with last year. Year to date weights have averaged 3 lbs more than 2017 and 22 lbs more than the five-year average. However, since September weights have been 5 lbs lighter than last year. As long as demand remains to pull volume, lighter carcass weights have the potential to put some leverage back in the hands of the feedlots.



An indicator of leverage is the fed steer prices as a percentage of the AAA cutout value. If the rail price is equal to the value of the boxed beef and by-product revenue pays for the kill and fabrication costs; breakeven for a packer would be around 100% - recognizing that these are rough figures as the AAA cutout value is a Canadian average and therefore weighted towards Western Canada.

Between June 2010 and November 2015, the Ontario rail price was 100-112% of the AAA cutout value, indicating that Ontario feedlots had leverage when negotiating with local packers. However, since the fall of 2015 this has gone back to the historic range of 88-100% indicating that the leverage is back in the hands of the packer. So far this fall, the ratio has been steady to slightly stronger than last year.



Packers gained leverage on retailers from 2010 through 2015 (see AAA cutout as percentage of the retail beef price). That explains why they were willing to pay more for fed cattle during that time period. Since 2015 leverage has been steady to softer, as beef supplies have increased and demand has been stable. Eastern packers will continue running full out as long as they remain profitable. - Brenna Grant

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