

# **A GLANCE AT BEEF AND VEAL MARKET**

September 2020

# A GLANCE AT BEEF AND VEAL MARKETS

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September 2020

## Slaughter volume (head) in 2020

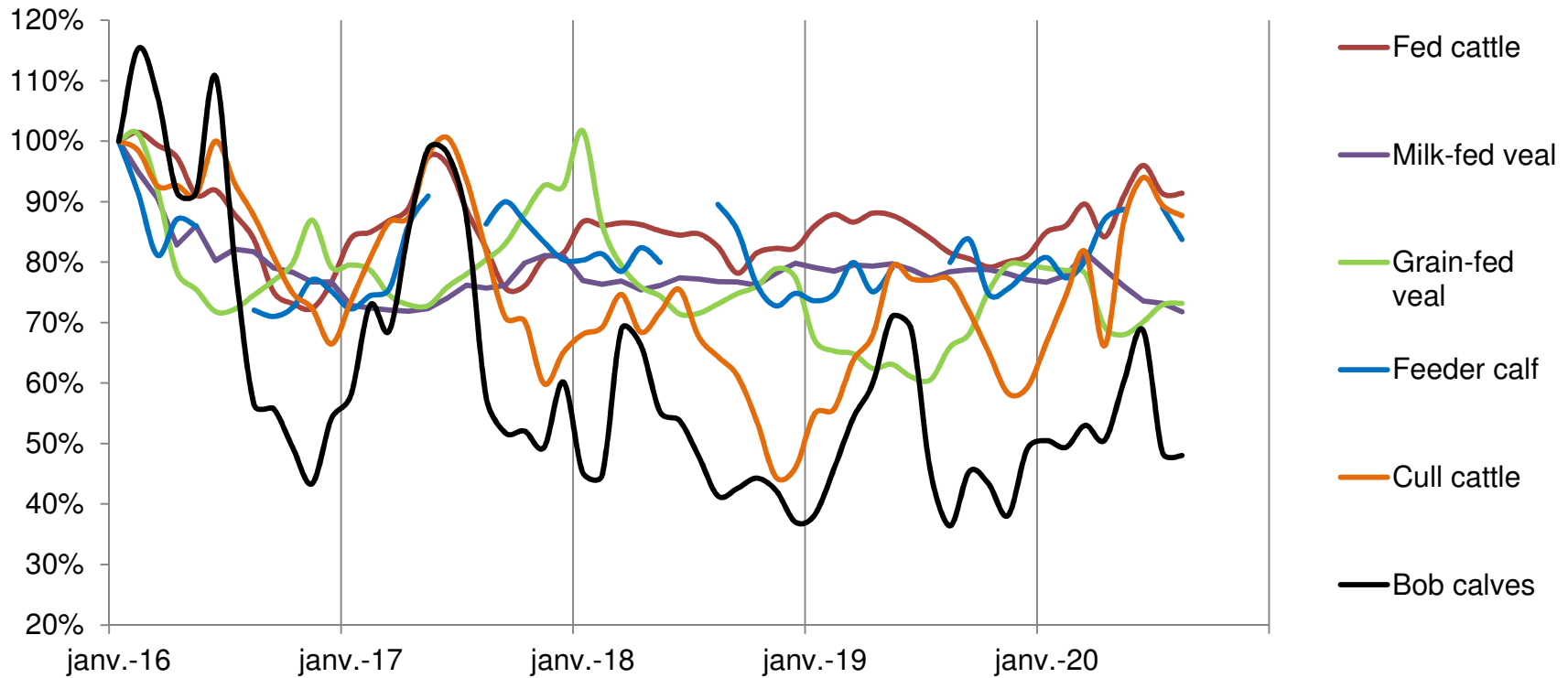
		Canada			United-States
		West	East	Total	Total
Steers and heifers	2020	1 371 112	380 552	1 751 664	16 689 000
	% chg 2019	<b>- 3 %</b>	<b>- 3 %</b>	<b>- 3 %</b>	<b>- 5%</b>
Cows and bulls	2020	214 191	70 376	284 567	4 525 000
	% chg 2019	<b>- 24 %</b>	<b>- 7 %</b>	<b>- 20 %</b>	<b>- 1 %</b>
Milk fed and grain fed calves	2020			98 234	111 253
	% chg 2019			<b>- 9 %</b>	<b>0,5 %</b>

Source :  
AAFC (Year to date)

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# Price variation of cattle in Quebec since January 2016



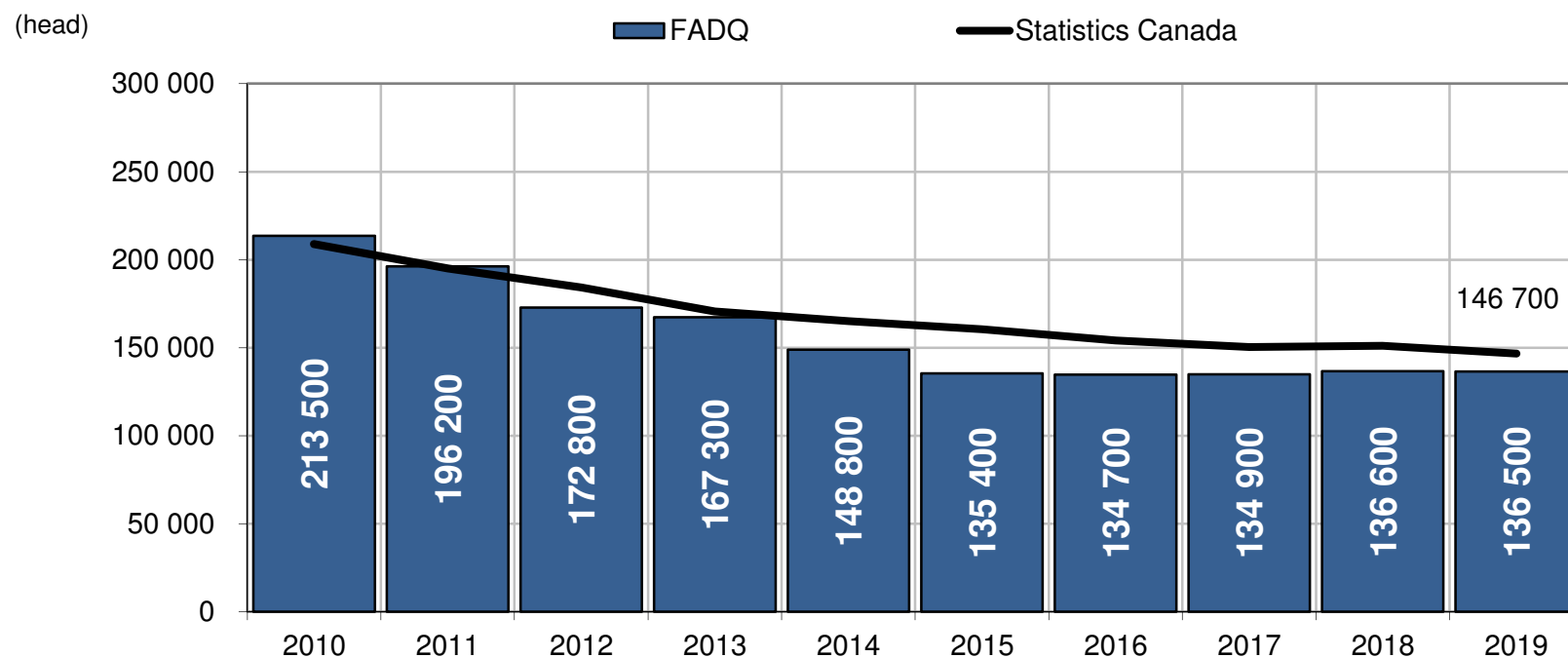
Source :  
• PBQ

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# Feeder calf

## Number of beef cows in Quebec



Sources :

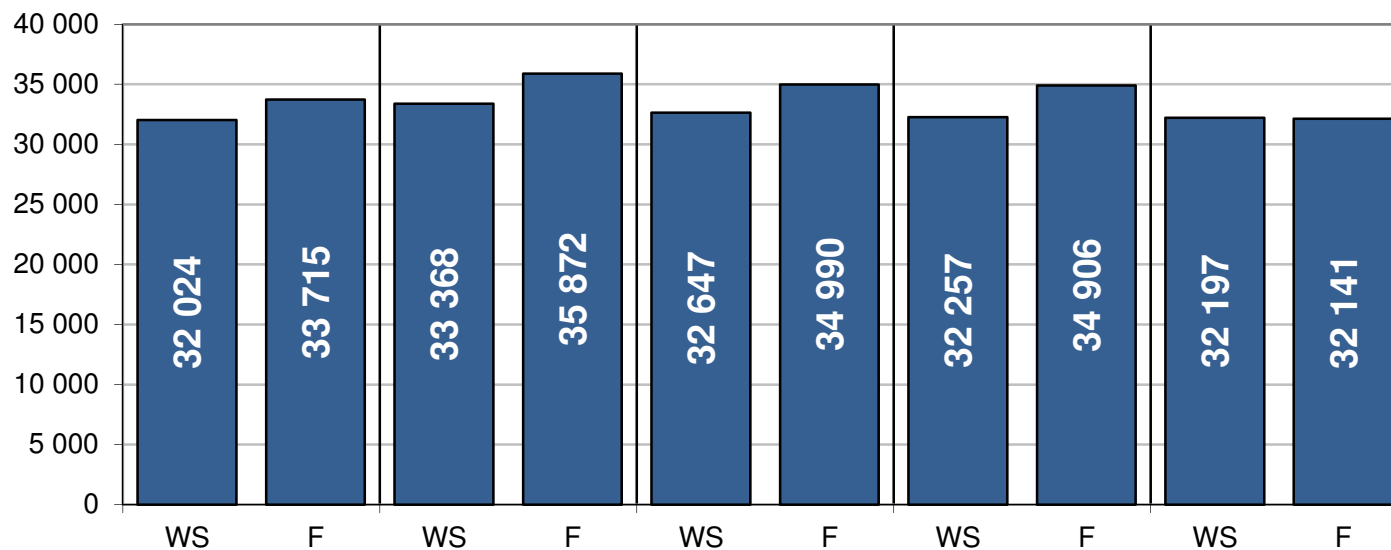
- Number of beef cows on farms (annual average), FADQ cow calf ASRA Program
- Number of beef cows on farms on January 1st, Statistics Canada

# Feeder calf

## Feeder calves in Quebec specialized auctions (numbers and weights)

(head)

WS = Winter and spring F = Fall



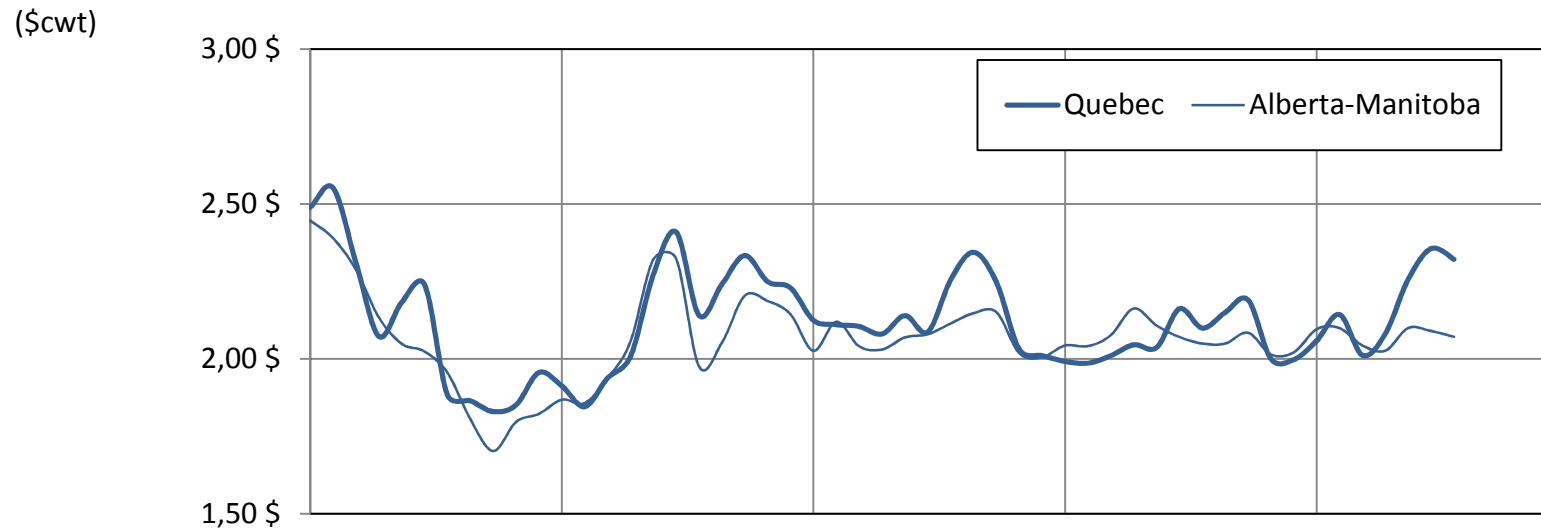
	2015	2016	2017	2018	2019
Head	65 739	69 240	67 637	67 163	64 338
Weight (lb)	655	658	659	657	664

Source :

Number and average weight of feeder calves sold in the specialized market auctions in Quebec, PBQ

# Feeder calf

## Price of male feeder calves (600-700 lb) Quebec and Alberta-Manitoba



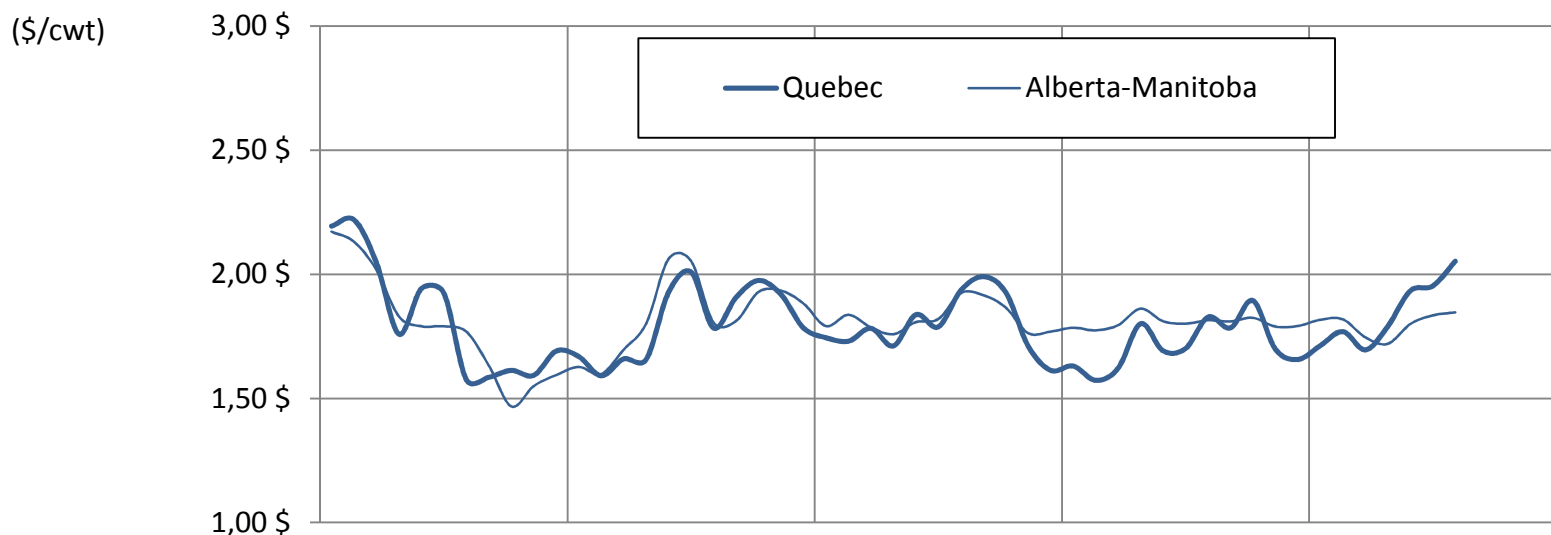
	2016	2017	2018	2019	2020
Quebec	2,11 \$	2,14 \$	2,14 \$	2,06 \$	2,18 \$
Que-(Alb-Man)	0,07 \$	0,06 \$	0,07 \$	0,00 \$	0,10 \$

### Sources :

- Quebec : Price of male feeder calves, 600 to 700 lb, sold in the specialized market auctions in Quebec, PBQ
- Alberta-Manitoba : Price of male feeder calves, 600 to 700 lb, sold in the market auctions in Alberta and Manitoba, Canfax

# Feeder calf

## Price of female feeder calves (600-700 lb) Quebec and Alberta-Manitoba



	2016	2017	2018	2019	2020
Quebec	1,79 \$	1,84 \$	1,82 \$	1,72 \$	1,84 \$
Que-(Alb-Man)	0,04 \$	-0,03 \$	-0,02 \$	-0,09 \$	0,05 \$

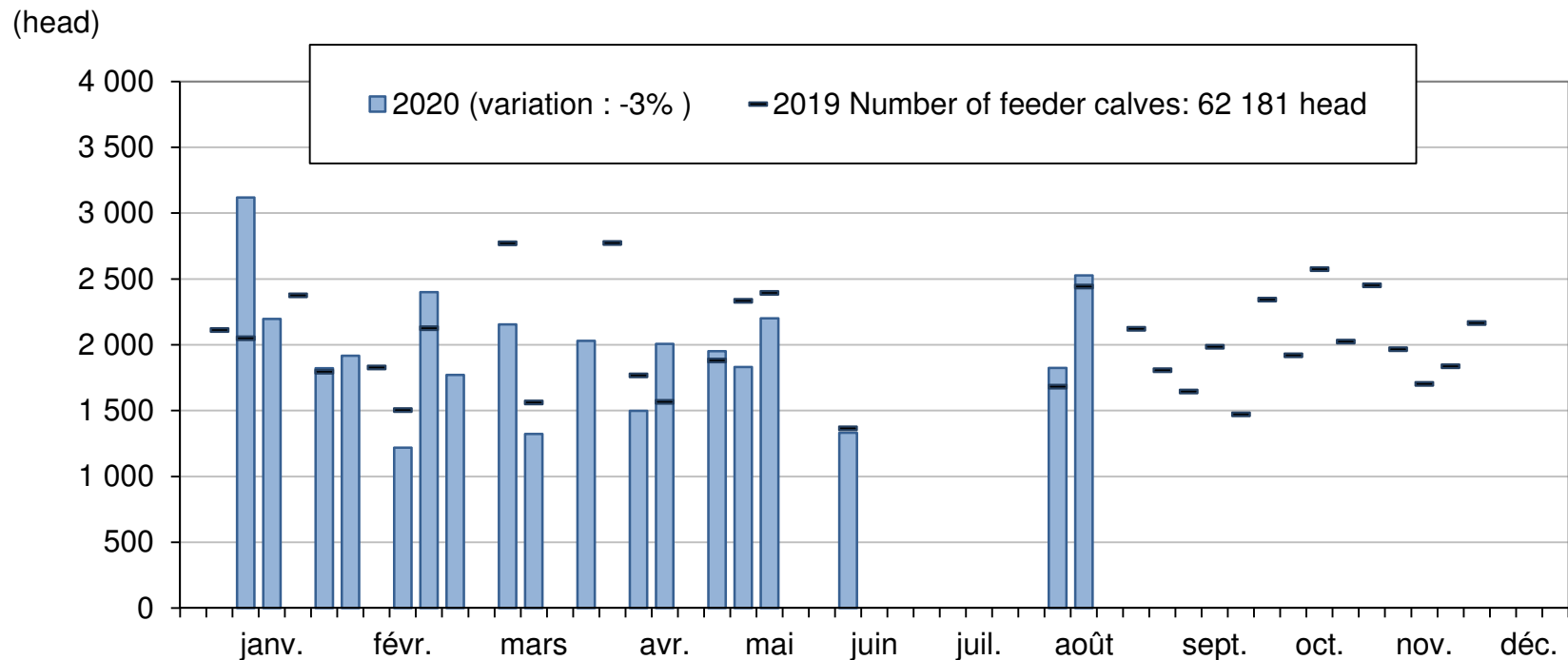
### Sources :

- Quebec : Price of female feeder calves, 600 to 700 lb, sold in the specialized market auctions in Quebec, PBQ
- Alberta-Manitoba : Price of female feeder calves, 600 to 700 lb, sold in the market auctions in Alberta and Manitoba, Canfax



# Feeder calf

## Number of feeder calves in Quebec specialized auctions 2019-2020

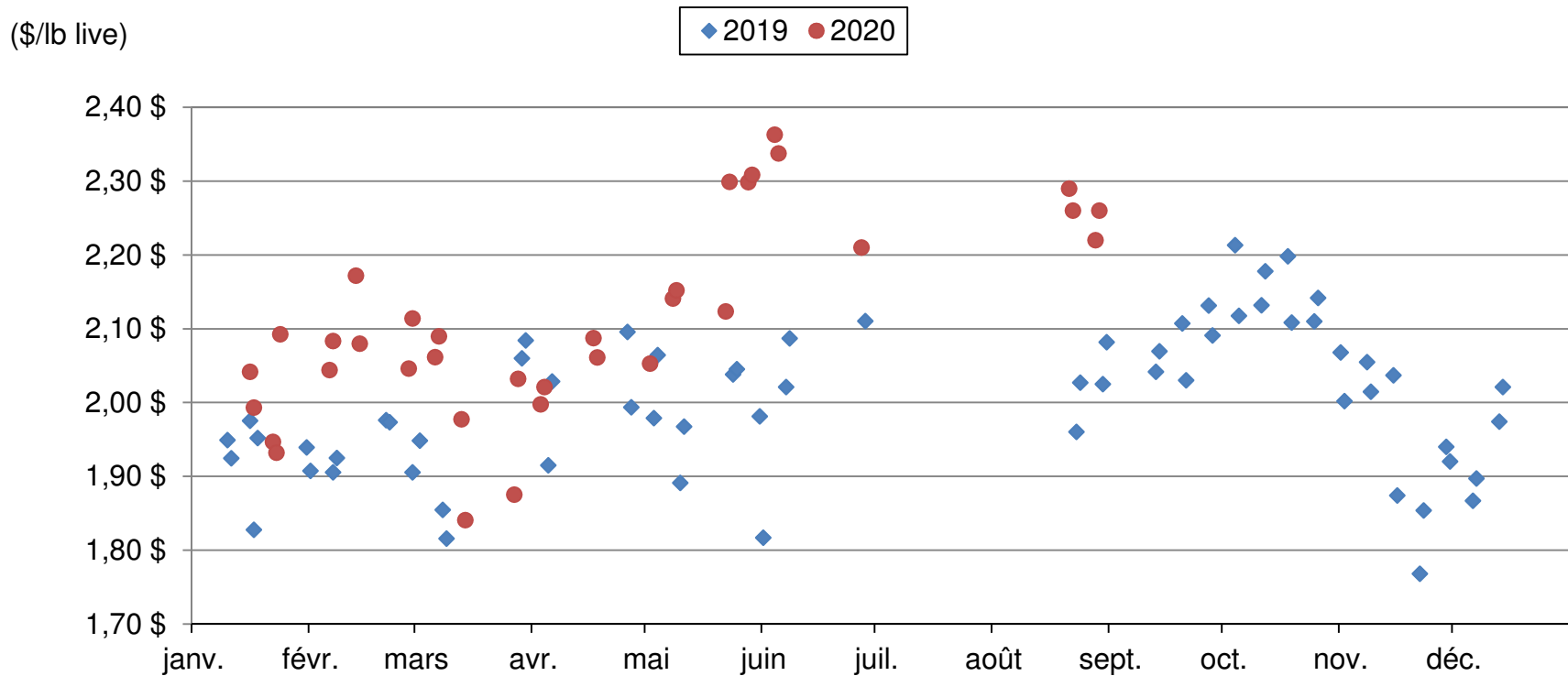


Source :  
Number of feeder calves in Quebec specialized auctions in Quebec, PBQ

# Feeder calf

## Price of male feeder calves (600-700 lb)

### Quebec specialized auctions 2019-2020



Sources :

- Quebec : Price of male feeder calves, 600 to 700 lb, sold in the specialized market auctions in Quebec, PBQ

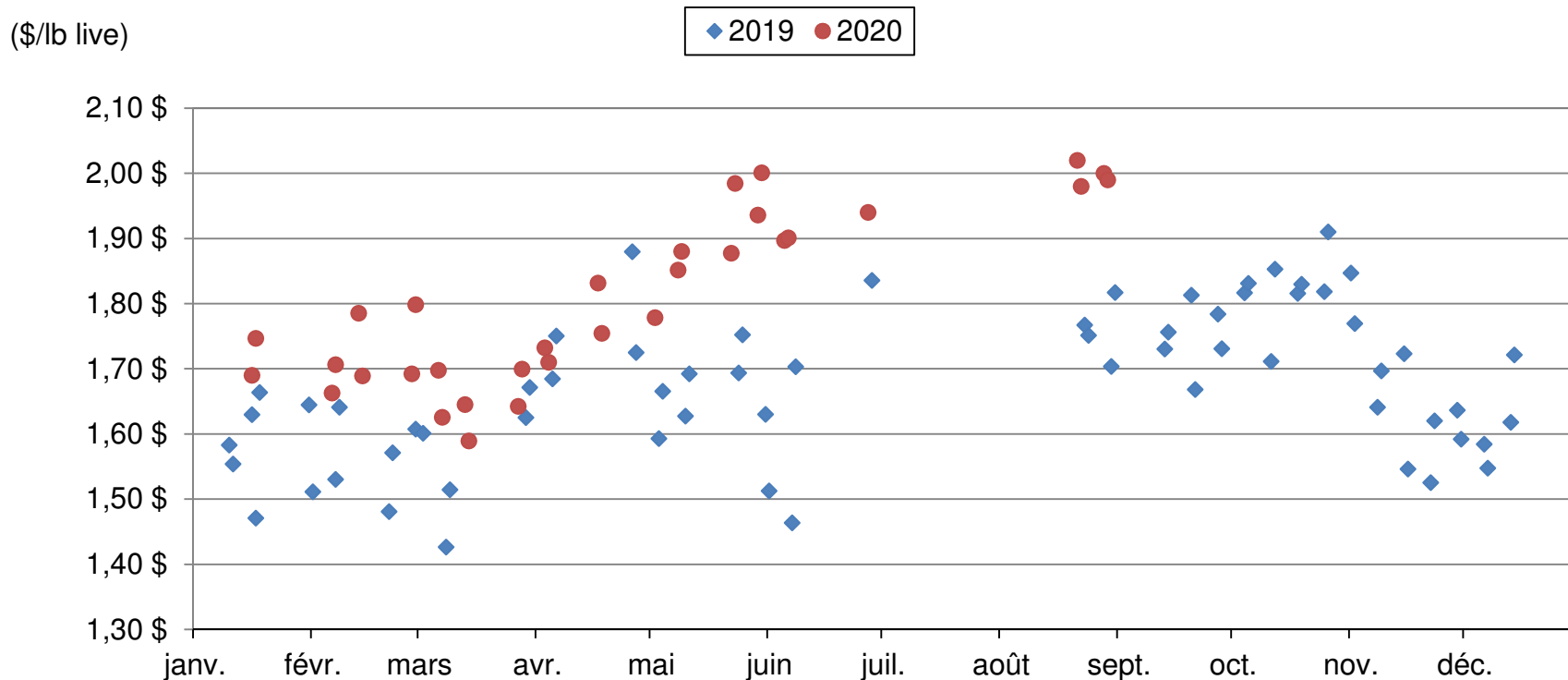
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# Feeder calf

## Price of female feeder calves (600-700 lb)

### Quebec specialized auctions 2019-2020



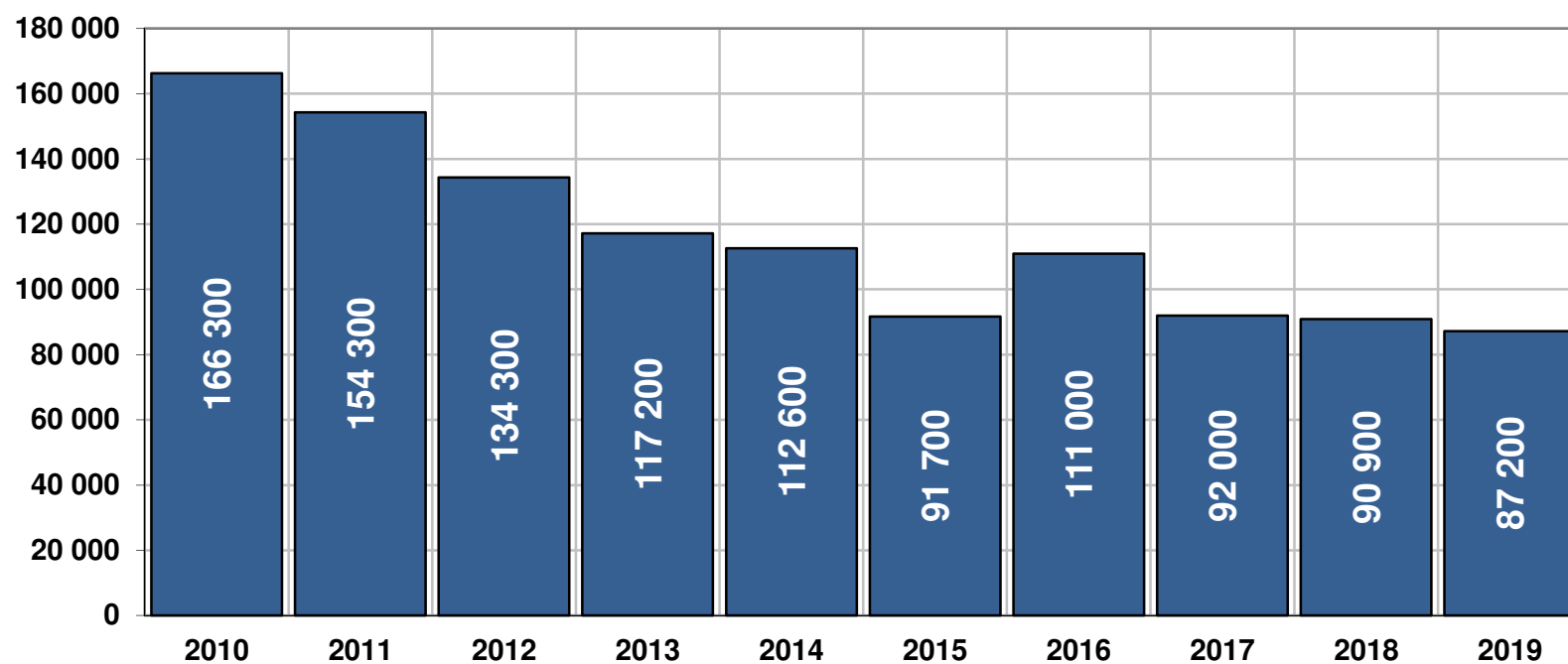
Sources :

- Quebec : Price of female feeder calves, 600 to 700 lb, sold in the specialized market auctions in Quebec, PBQ

# Fed cattle

## Number of cattle fed in Quebec

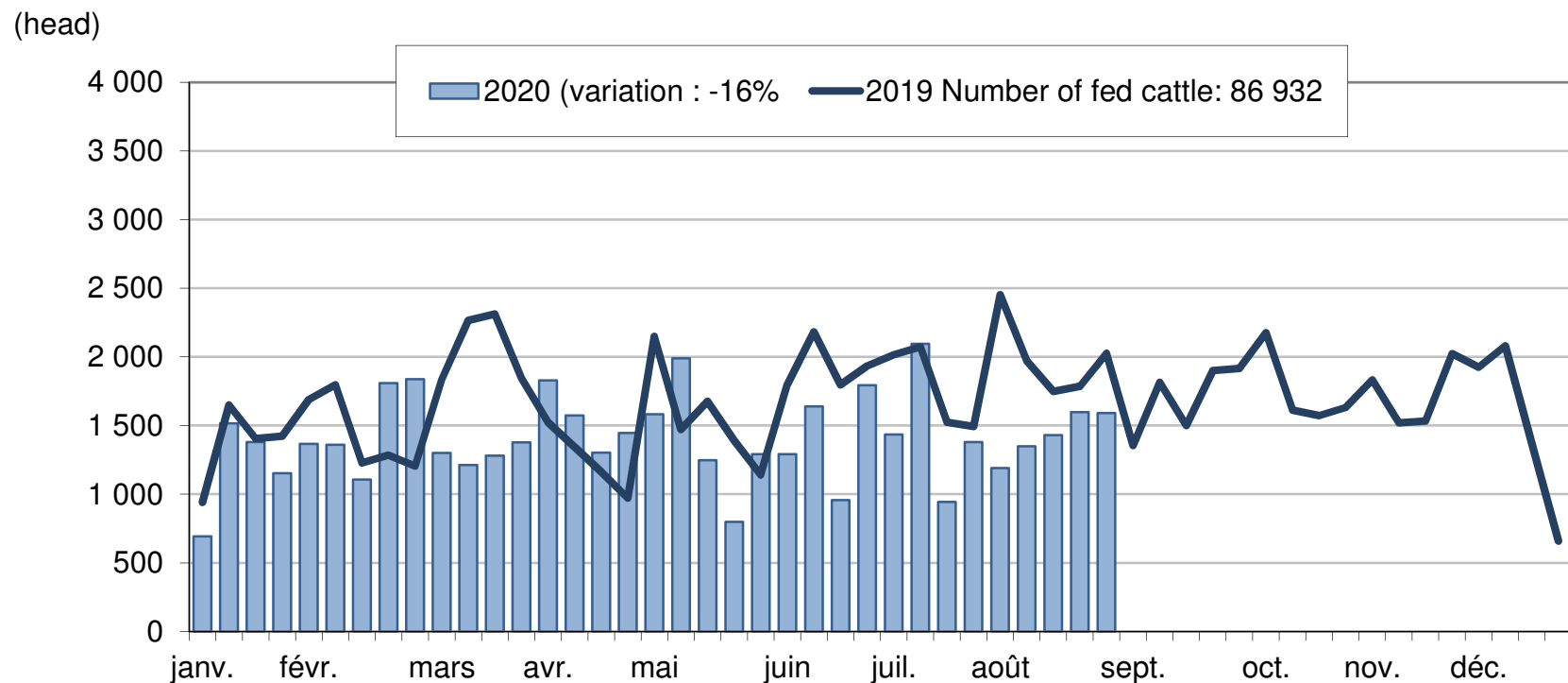
(head)



Source :  
Number of fed cattle marketed by Quebec producers , PBQ

# Fed cattle

## Number of cattle fed in Quebec 2019-2020



Source:

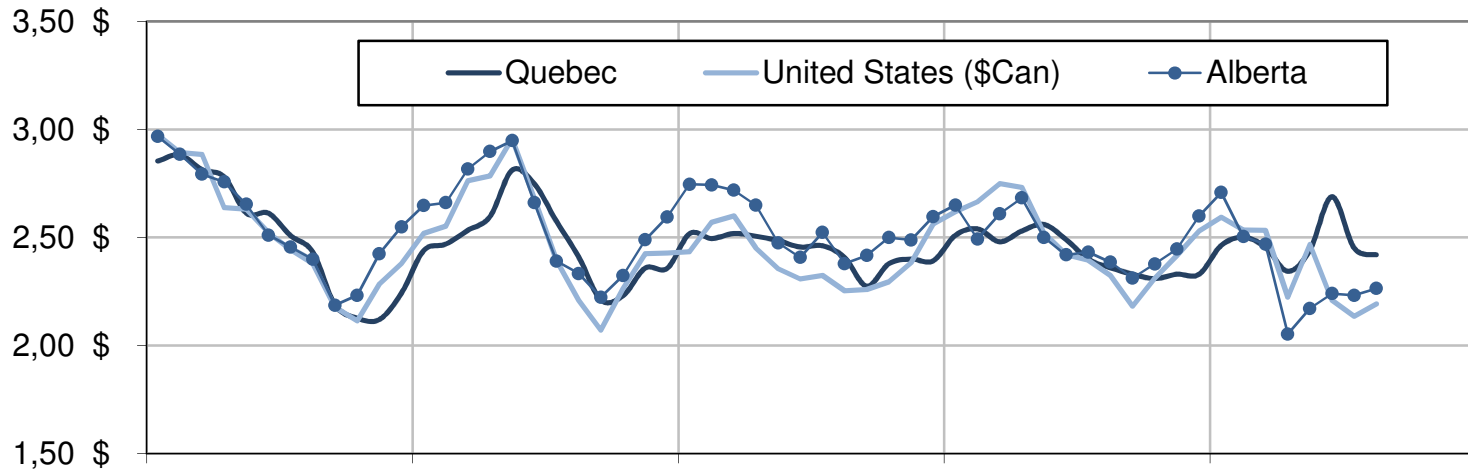
- Number of fed cattle marketed by Quebec producers , PBQ



# Fed cattle

## Price of fed cattle in Quebec, Alberta and United-States

(\$/lb hot carcasse, males, bid price)



	2016	2017	2018	2019	2020
Quebec	2,74 \$	2,48 \$	2,44 \$	2,43 \$	2,48 \$
Que-Ont	0,00 \$	-0,05 \$	-0,01 \$	-0,03 \$	0,02 \$
Que-US	-0,01 \$	-0,03 \$	0,04 \$	-0,06 \$	0,11 \$
Que-Alb	-0,05 \$	-0,10 \$	-0,11 \$	-0,06 \$	0,14 \$

Sources :

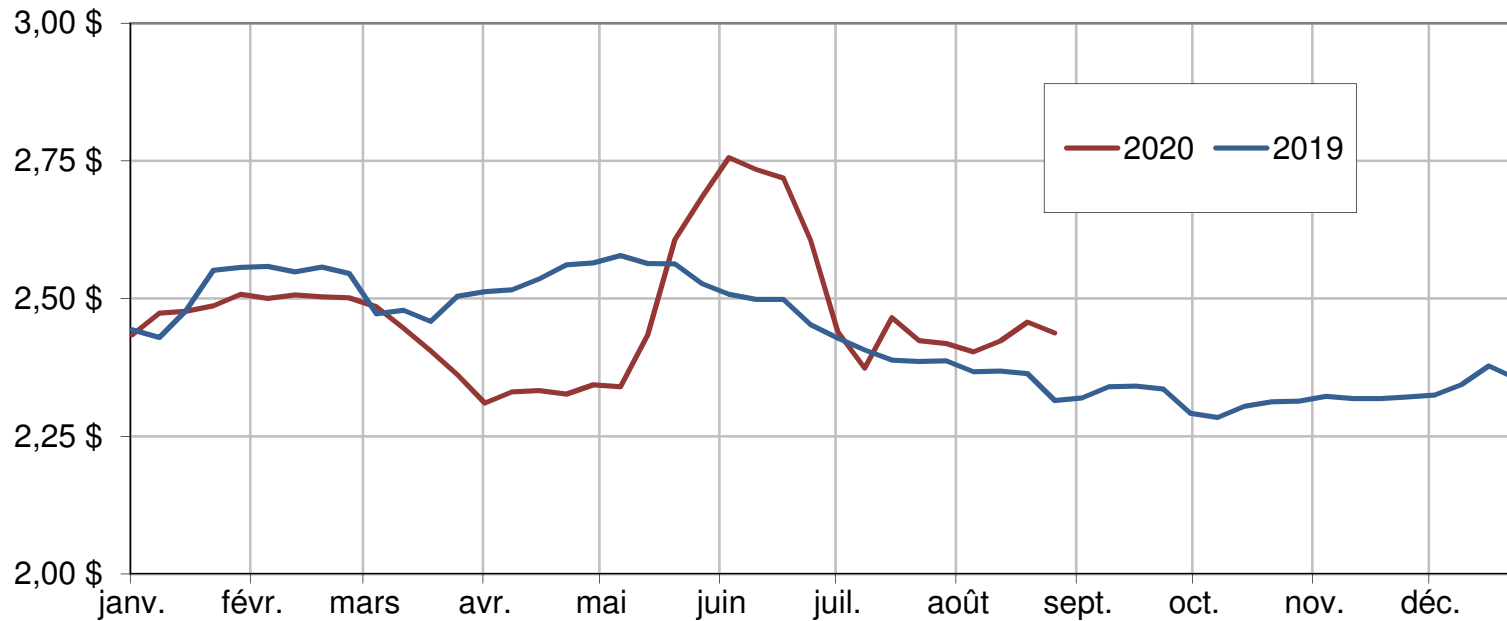
- Quebec : Bid price for steers, complete loads, sold to Canada and United-States, spot market, FOB, PBQ
- Ontario : Bid price for steers, direct sales, OCA
- Alberta : Bid price for steers, direct sales, Canfax
- United-States : Bid price for steers, direct sales, Five Area, USDA

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# Fed cattle

## Price of fed cattle in Quebec 2019-2020

(\$/lb carc)

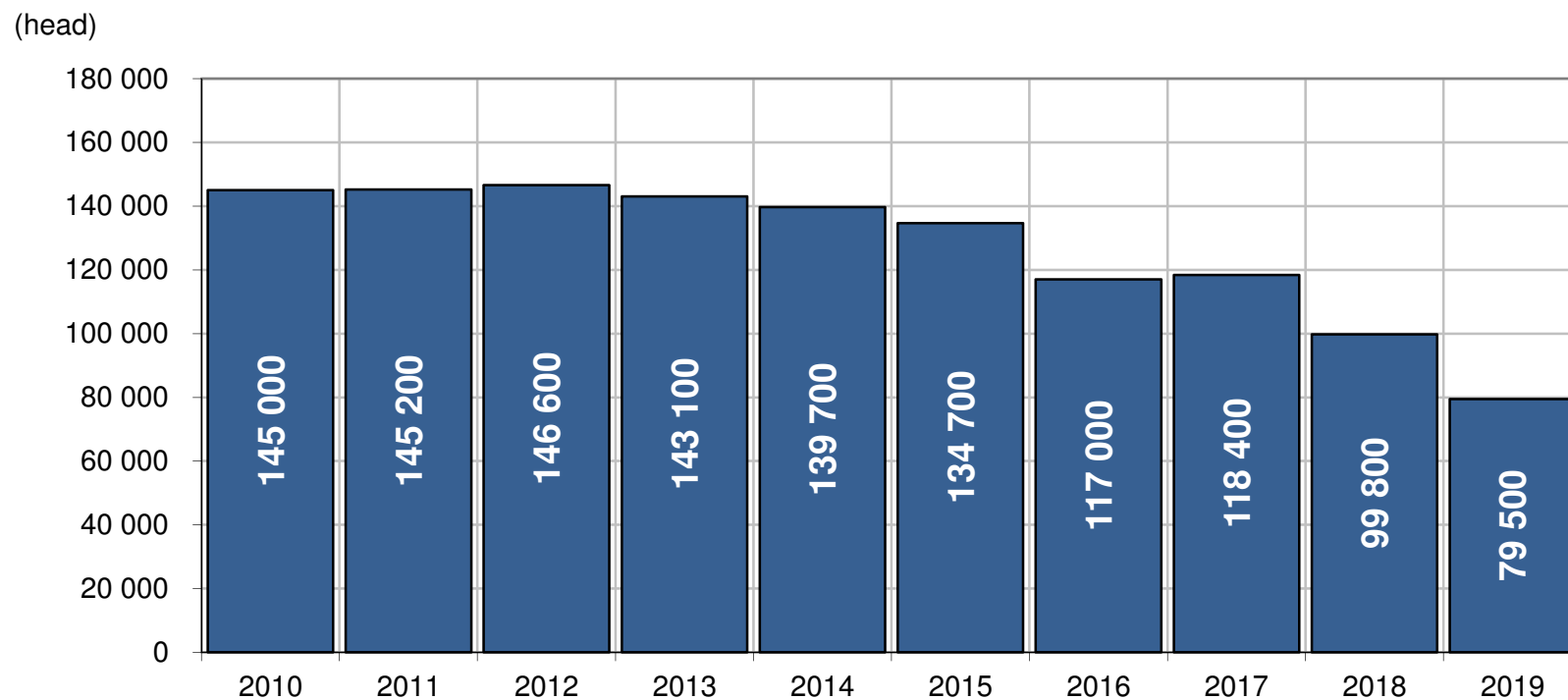


Sources :

- Bid price for steers, complete loads, sold to Canada and United-States, spot market, FOB, PBQ

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## Milk-fed veal Number of calves fed in Quebec



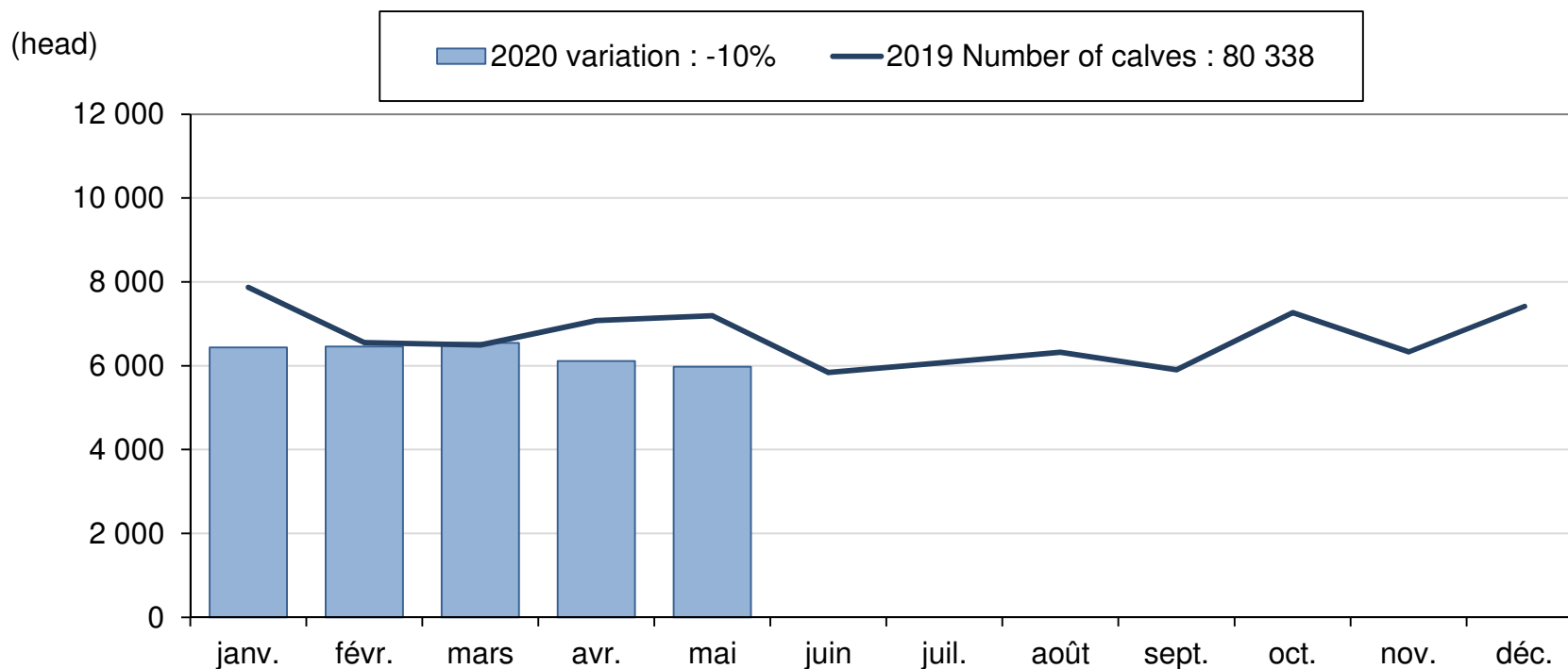
Sources :

- Quebec: Number of calves fed by Quebec producers, PBQ



# Milk-fed veal

## Number of calves fed in Quebec 2019-2020

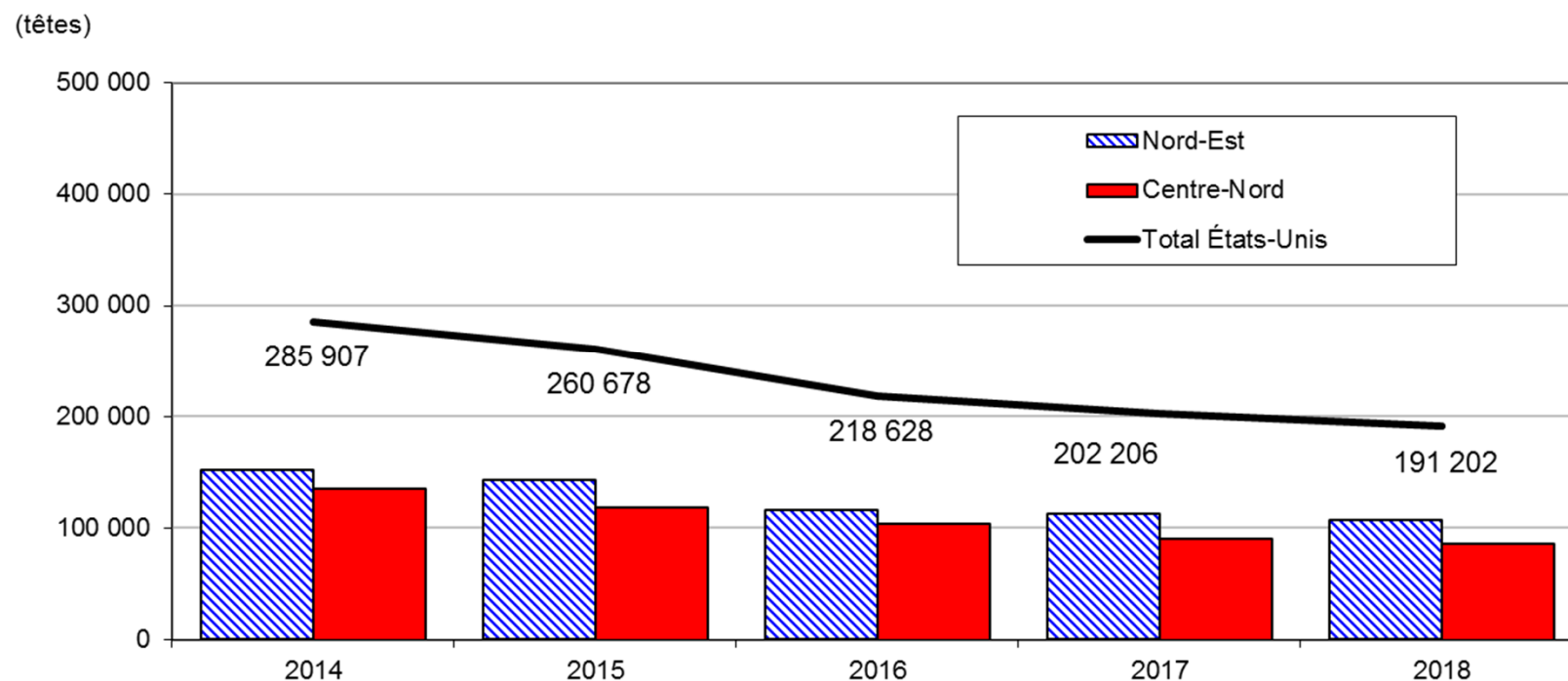


Sources :

- Quebec: Number of calves fed by Quebec producers, PBQ

# Milk-fed veal

## Number of calves slaughtered in United-States



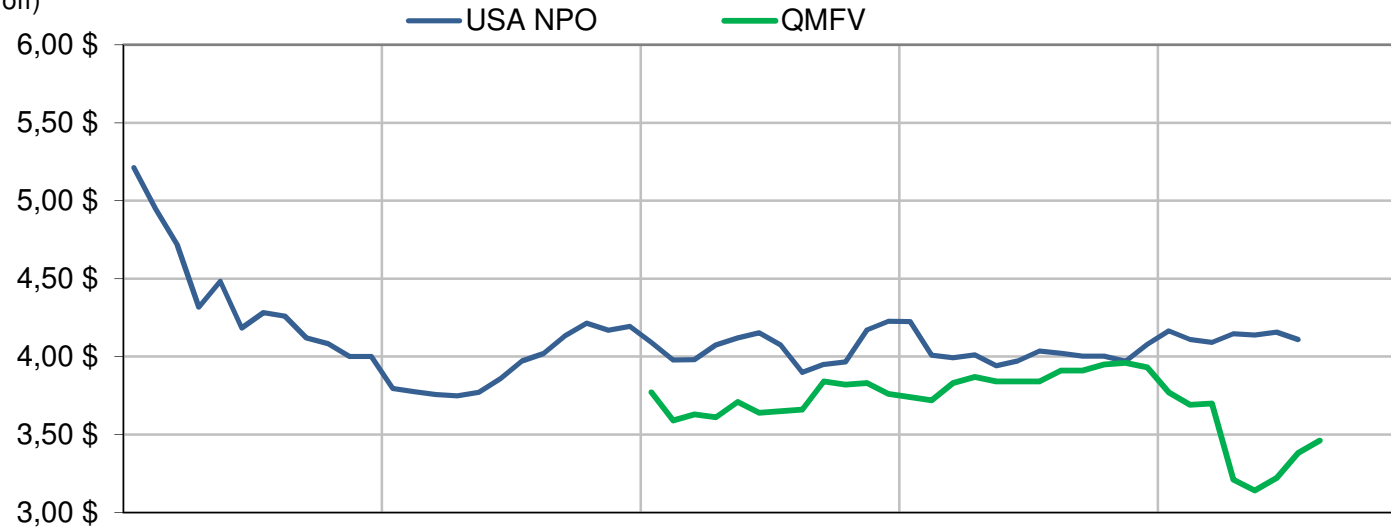
Sources :

- Number of special fed veal slaughtered in North-east and North-central of United-States, USDA

# Milk-fed veal

## Price of milk-fed veal calves in Quebec

(\$ CAN/lb carcass hide off)



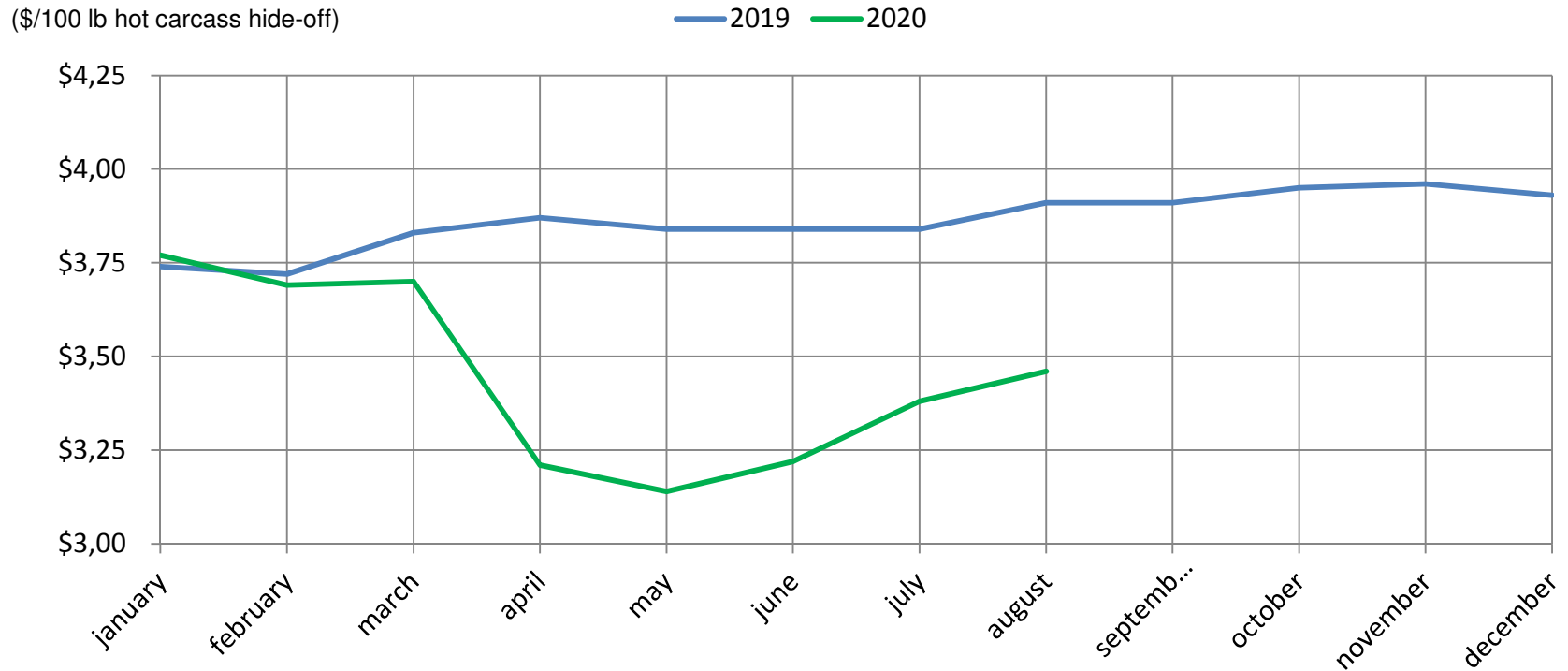
	2016	2017	2018	2019	2020
USA-NPO	4,38 \$	3,87 \$	4,02 \$	4,02 \$	4,13 \$
QMFV			3,71 \$	3,86 \$	3,45 \$

Sources :

- USDA-NPO : USDA converted to \$ CAN. Gross price.
- QMFV : net price collected by CECPA.

# Milk-fed veal

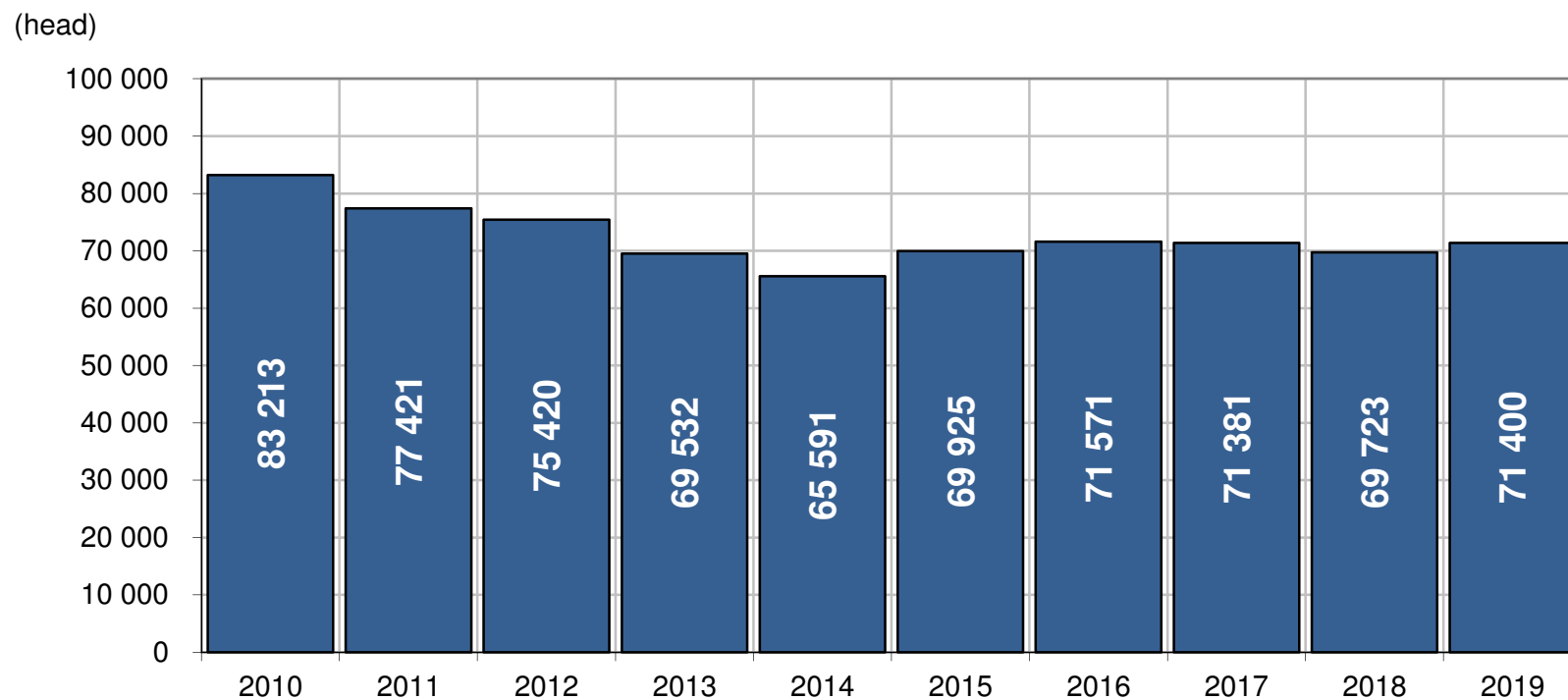
## Price of milk-fed veal calves in Quebec 2019-2020



Sources :

- Net price collected by CECPA.

## Grain-fed veal Number of calves fed in Quebec

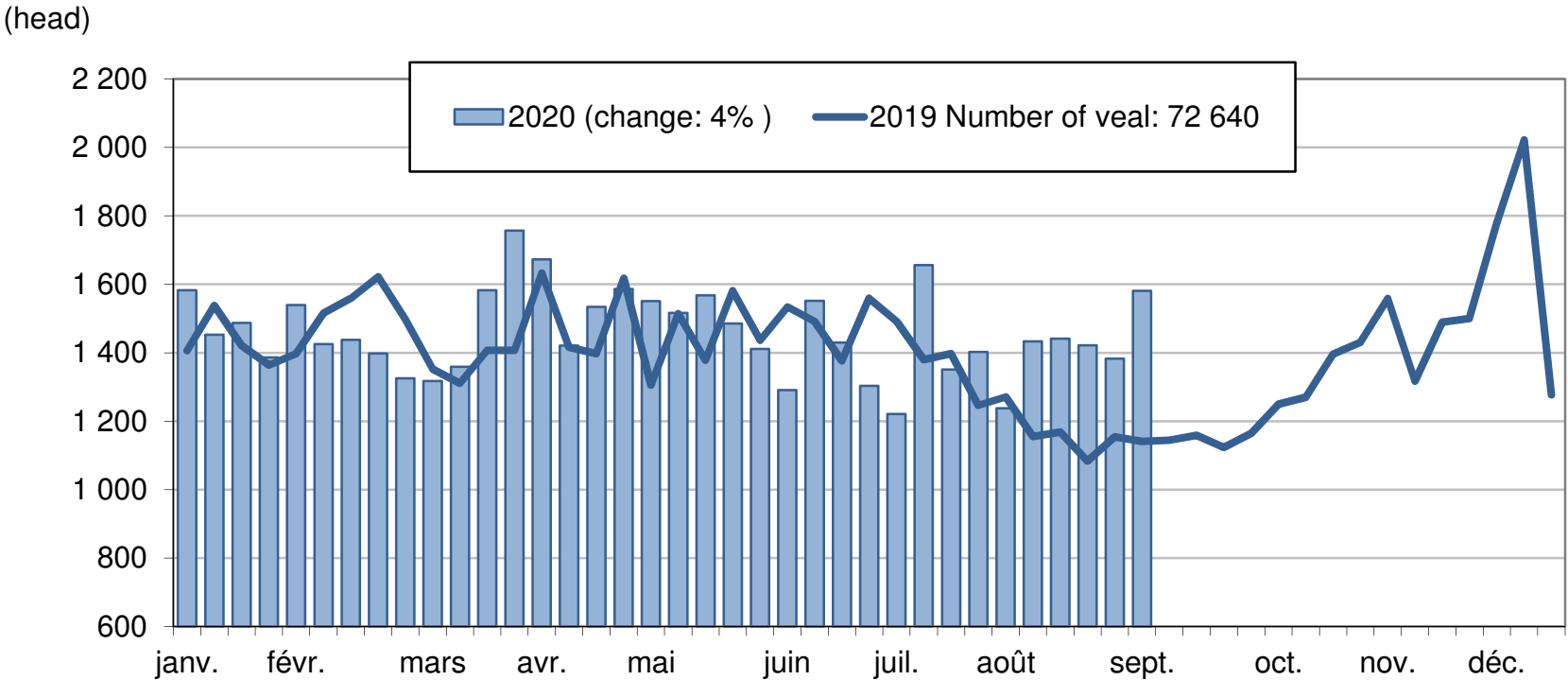


Sources :

- Quebec: Number of calves fed by Quebec producers, PBQ

# Grain-fed veal

## Number of calves fed in Quebec 2019-2020

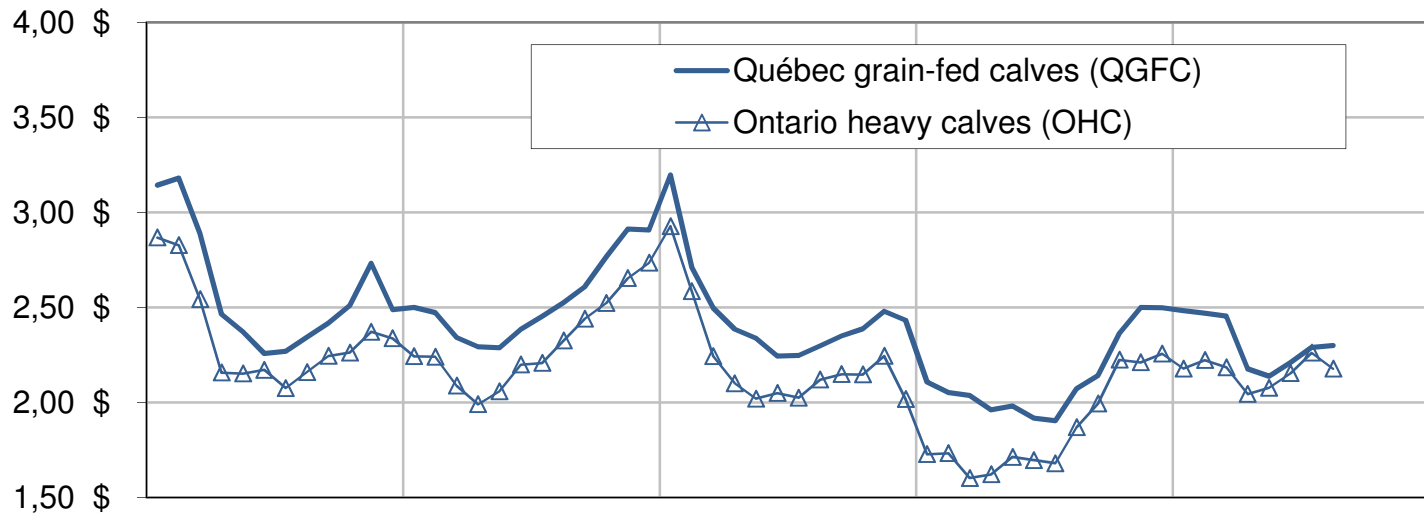


Sources :  
 • Quebec: Number of calves fed by Quebec producers, PBQ

# Grain-fed veal

## Price of grain-fed veal calves in Quebec and Ontario

(\$/lb carcass hide off)



	2016	2017	2018	2019	2020
QGFC	2,58 \$	2,52 \$	2,47 \$	2,12 \$	2,32 \$
QGFC-OHC	0,23 \$	0,21 \$	0,25 \$	0,26 \$	0,15 \$

Sources :

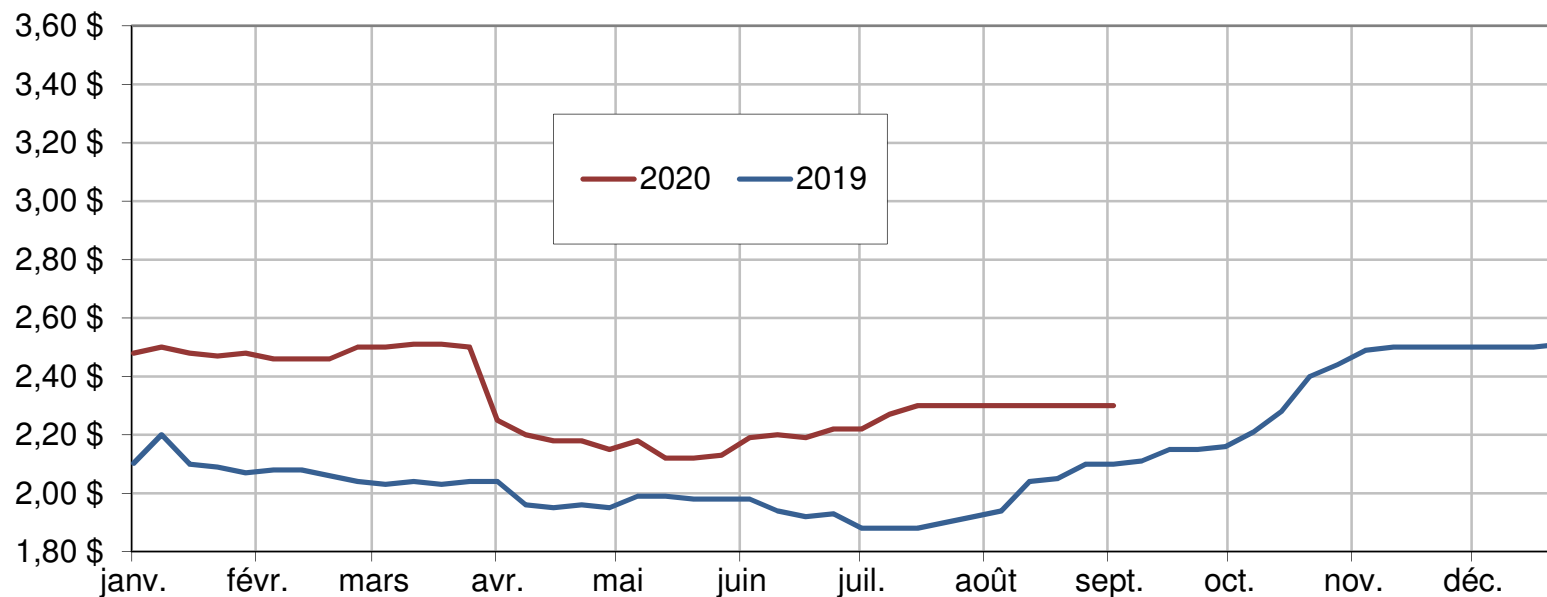
- Quebec : Net price (auction price minus floor price program), PBQ
- Ontario : weekly price, category over 600 lbs, OCA

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# Grain-fed veal

## Price of grain-fed veal calves in Quebec 2019-2020

(\$/lb hot  
carcass hide-off)



Sources :

- Quebec : Net price (auction price minus floor price program), PBQ

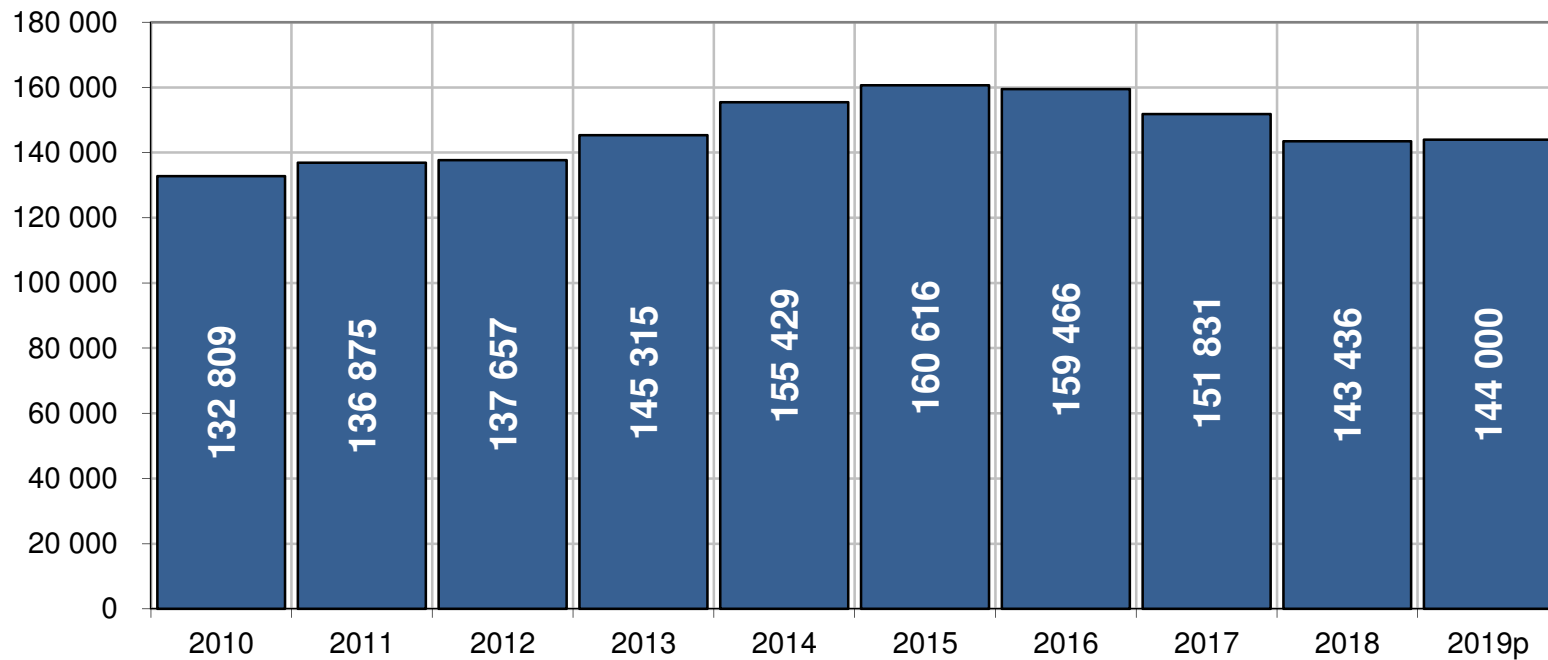
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# Bob calves

## Number of bob calves marketed in Quebec

(head)

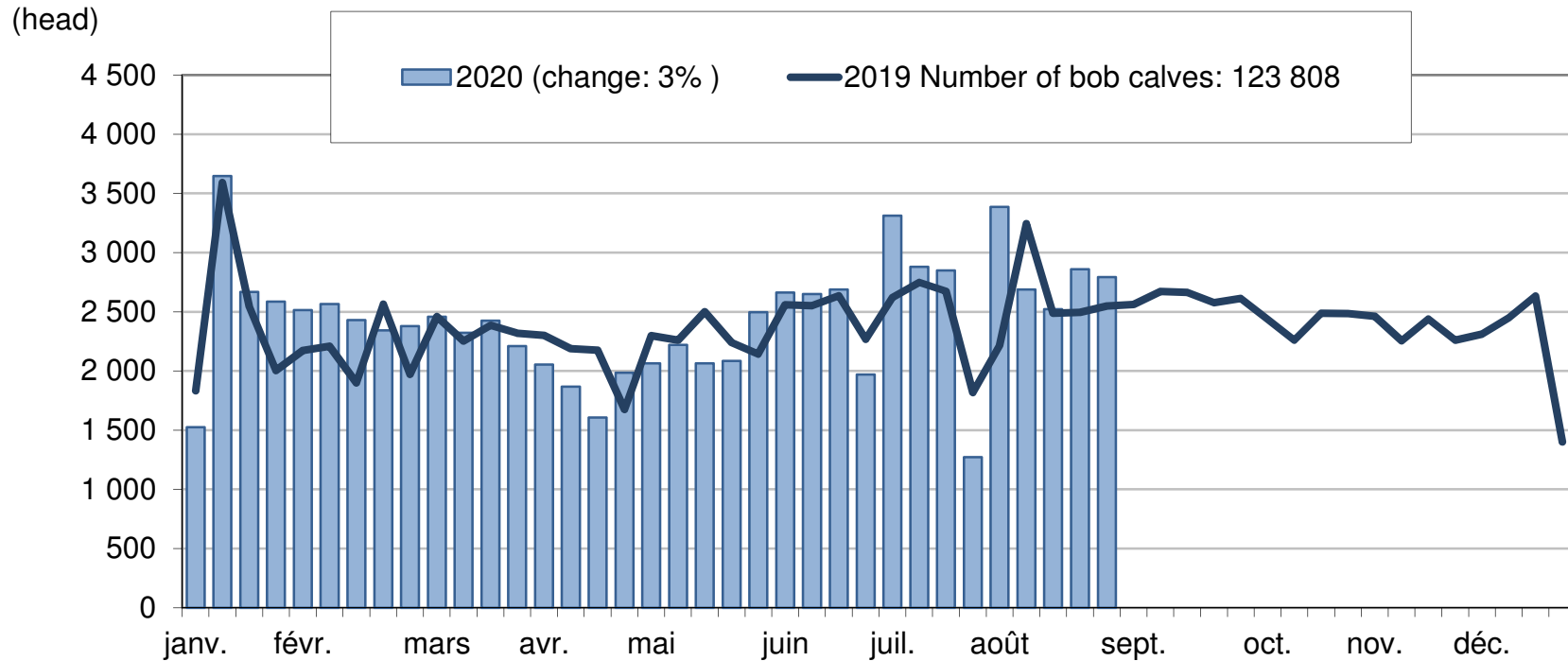


Source :

- Number of calves marketed by Quebec producers, PBQ

# Bob calves

## Number of bob calves marketed in Quebec 2019-2020



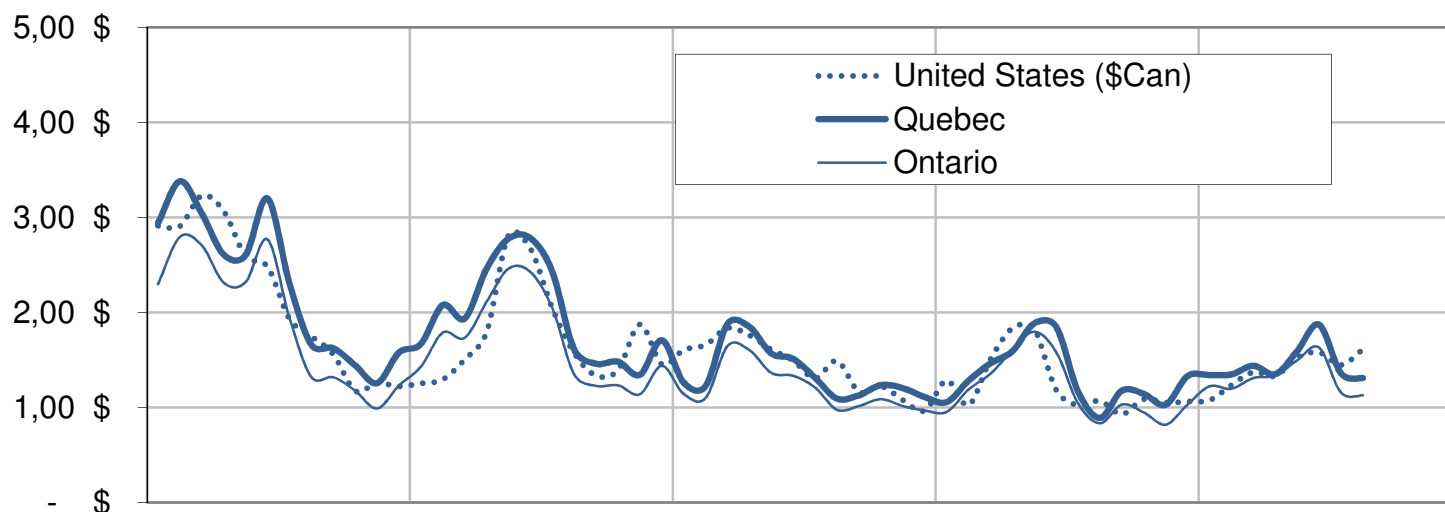
Sources :

- Number of calves marketed by Quebec producers, PBQ

# Bob calves

## Price of good replacement bob calves in Quebec, Ontario and United-States

(\$/lb live)



	2016	2017	2018	2019	2020
Quebec	2,30 \$	1,98 \$	1,36 \$	1,32 \$	1,47 \$
Que-US	0,13 \$	0,23 \$	-0,07 \$	0,08 \$	0,11 \$
Que-Ont	0,37 \$	0,28 \$	0,16 \$	0,14 \$	0,14 \$

Sources :

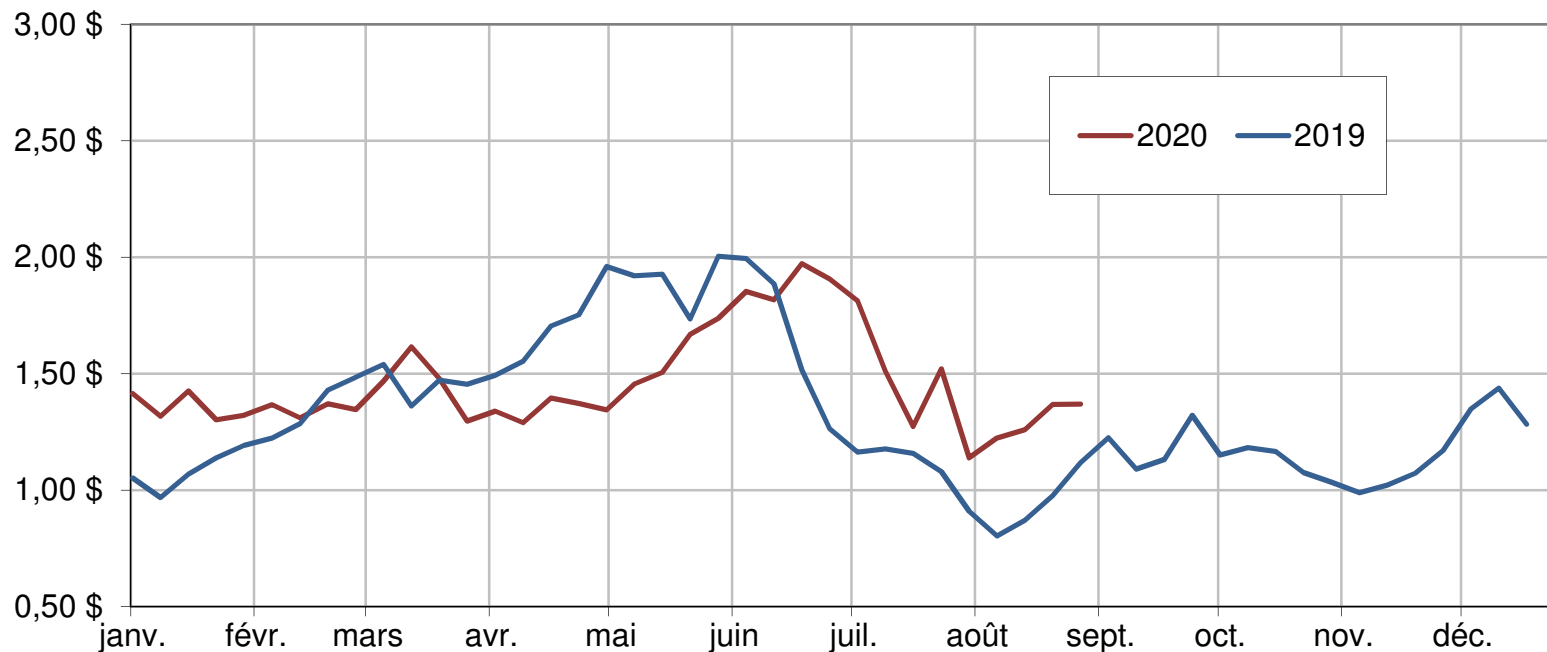
- Quebec : Price of good replacement bob calves marketed in Quebec auctions, PBQ
- Ontario : Price of male replacement bob calves marketed in Ontario auctions, OCA
- United States : Price of male replacement bob calves marketed in New Holland, Pennsylvania auctions, converted in \$ CAN

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# Bob calves

## Price of good replacement bob calves in Quebec 2019-2020

(\$/lb live)



Sources :

- Quebec : Price of good replacement bob calves marketed in Quebec auctions, PBQ

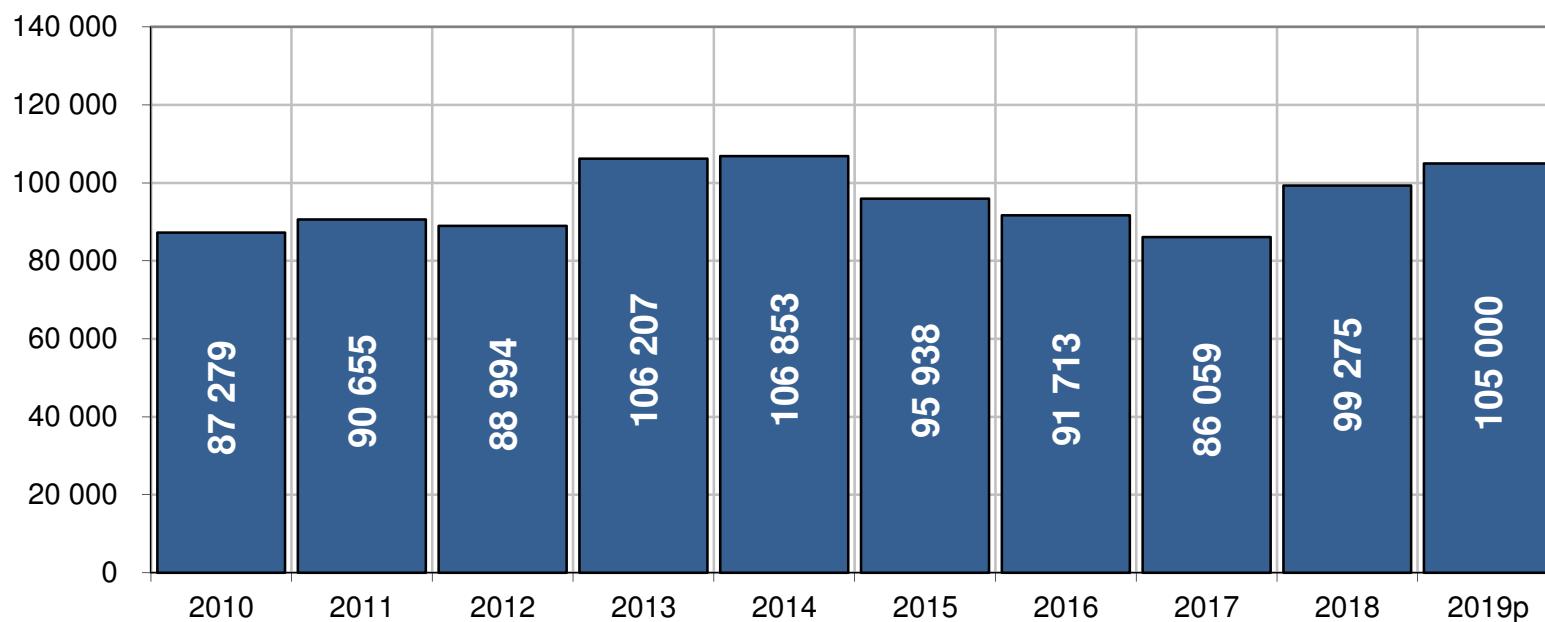
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# Cull cattle

## Number of cull cows marketed in Quebec

(head)

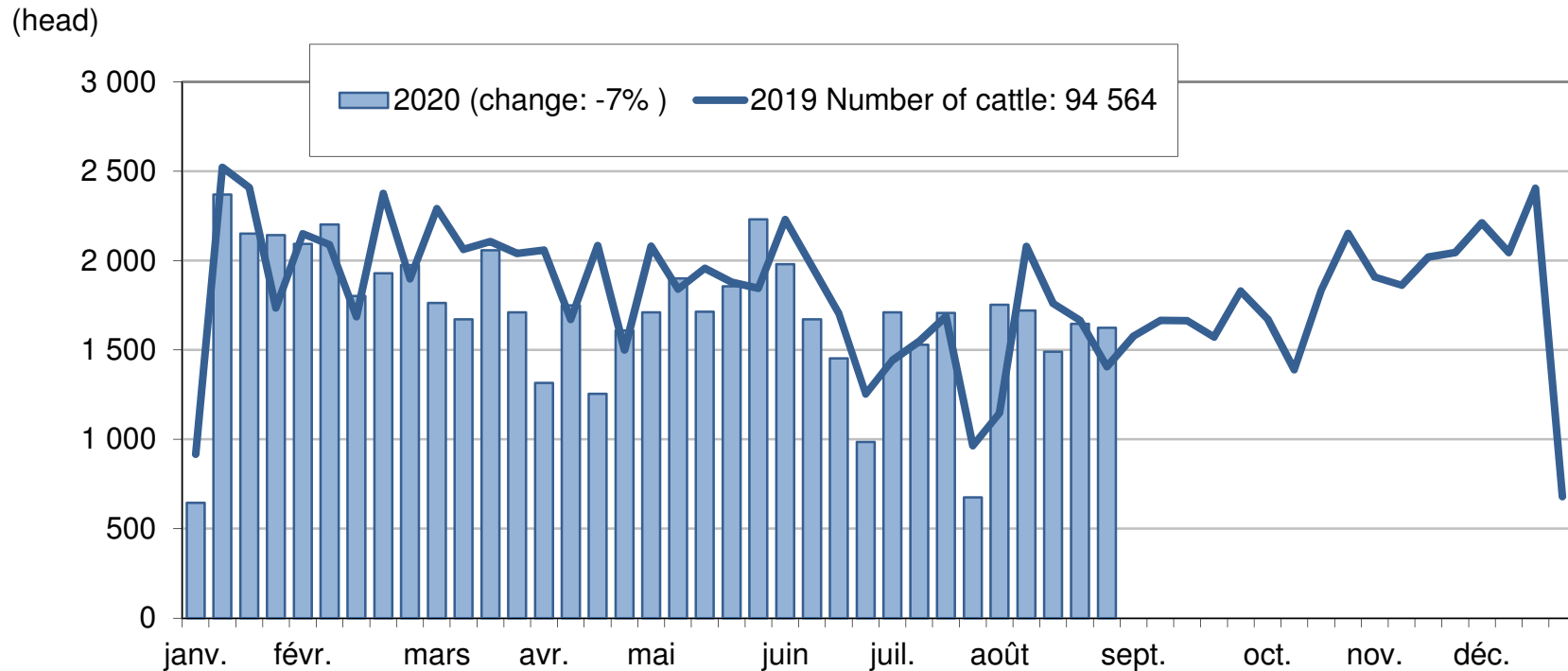


Source :

- Number of cull cows marketed by Quebec producers, PBQ

# Cull cattle

## Number of cull cows marketed in Quebec 2019-2020

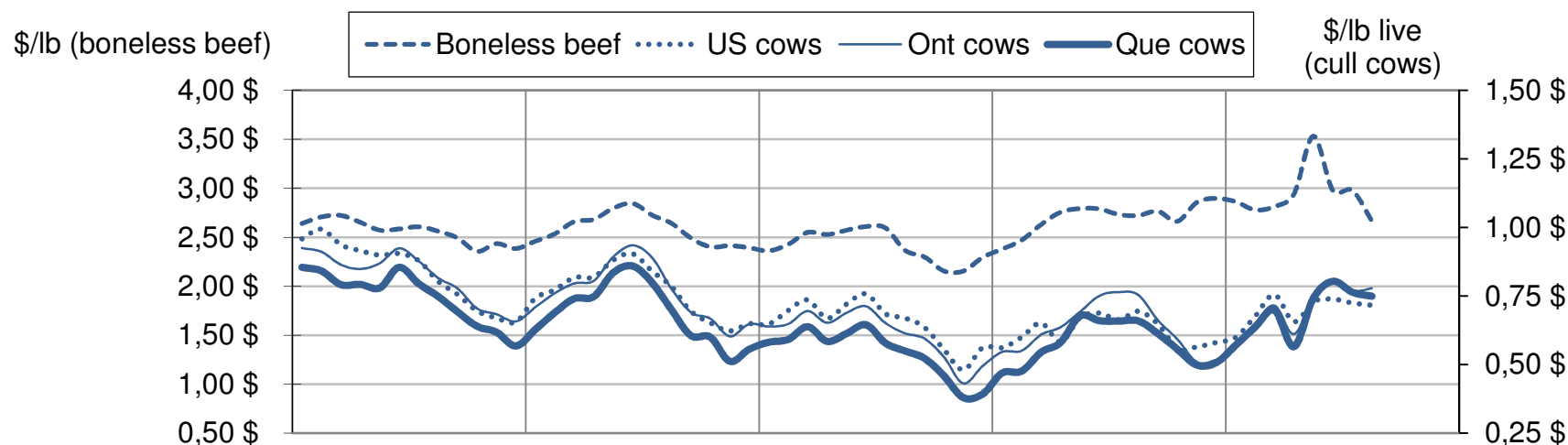


Source :

- Number of calves marketed by Quebec producers, PBQ

# Cull cattle

## Price of cull cows in Quebec, Ontario, Alberta and United-States



	2016	2017	2018	2019	2020
Boneless beef	2,56 \$	2,59 \$	2,41 \$	2,70 \$	2,94 \$
Que \$/cow	1 047 \$	965 \$	763 \$	805 \$	968 \$
Que \$/lb	0,75 \$	0,69 \$	0,54 \$	0,58 \$	0,69 \$
Que-US	-0,09 \$	-0,08 \$	-0,11 \$	-0,05 \$	-0,01 \$
Que-Ont	-0,07 \$	-0,08 \$	-0,07 \$	-0,06 \$	-0,01 \$

### Sources :

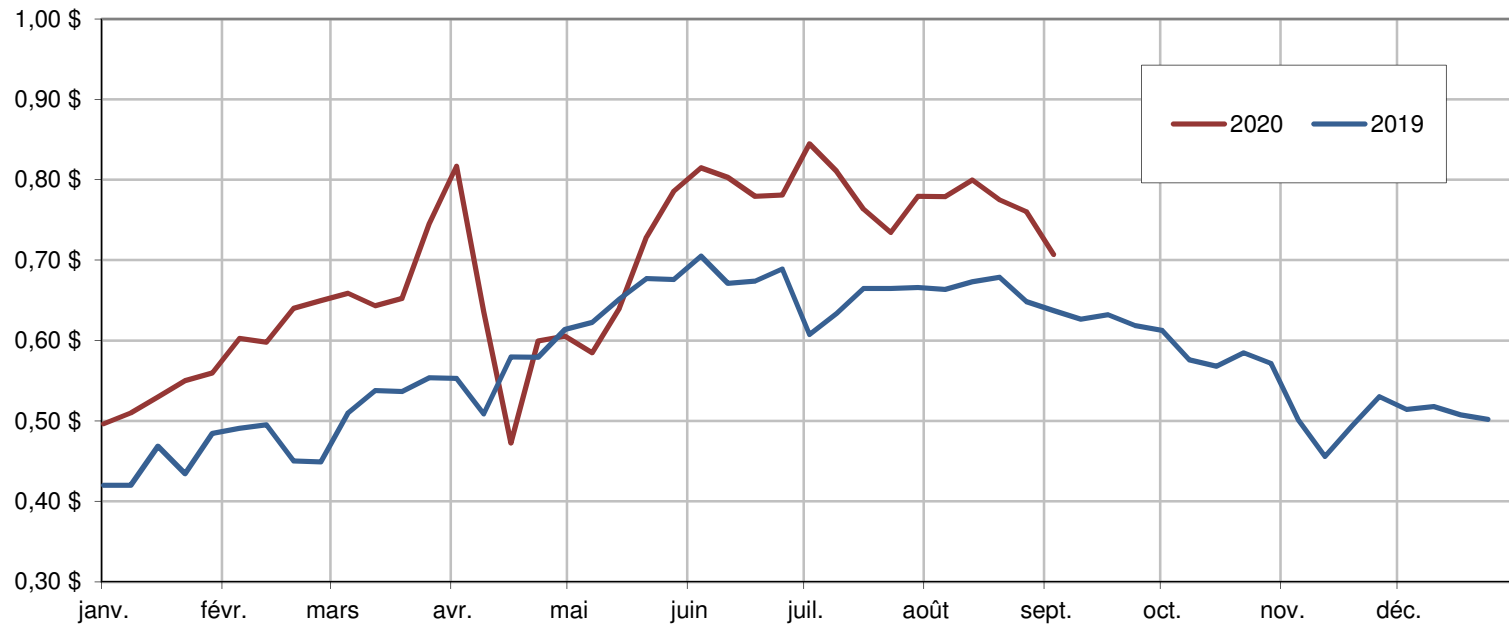
- Quebec : Price of cull cows marketed in Quebec auctions, PBQ
- Ontario : Price of cull cows marketed in Ontario auctions, OCA
- Alberta. : Price of D1-D2 cull cows marketed in Alberta auctions, Canfax
- United States : Price of lean cull cows marketed in New Holland, Pennsylvania auctions, converted in \$ CAN

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# Cull cattle

## Price of cull cows in Quebec 2019-2020

(\$/lb live)



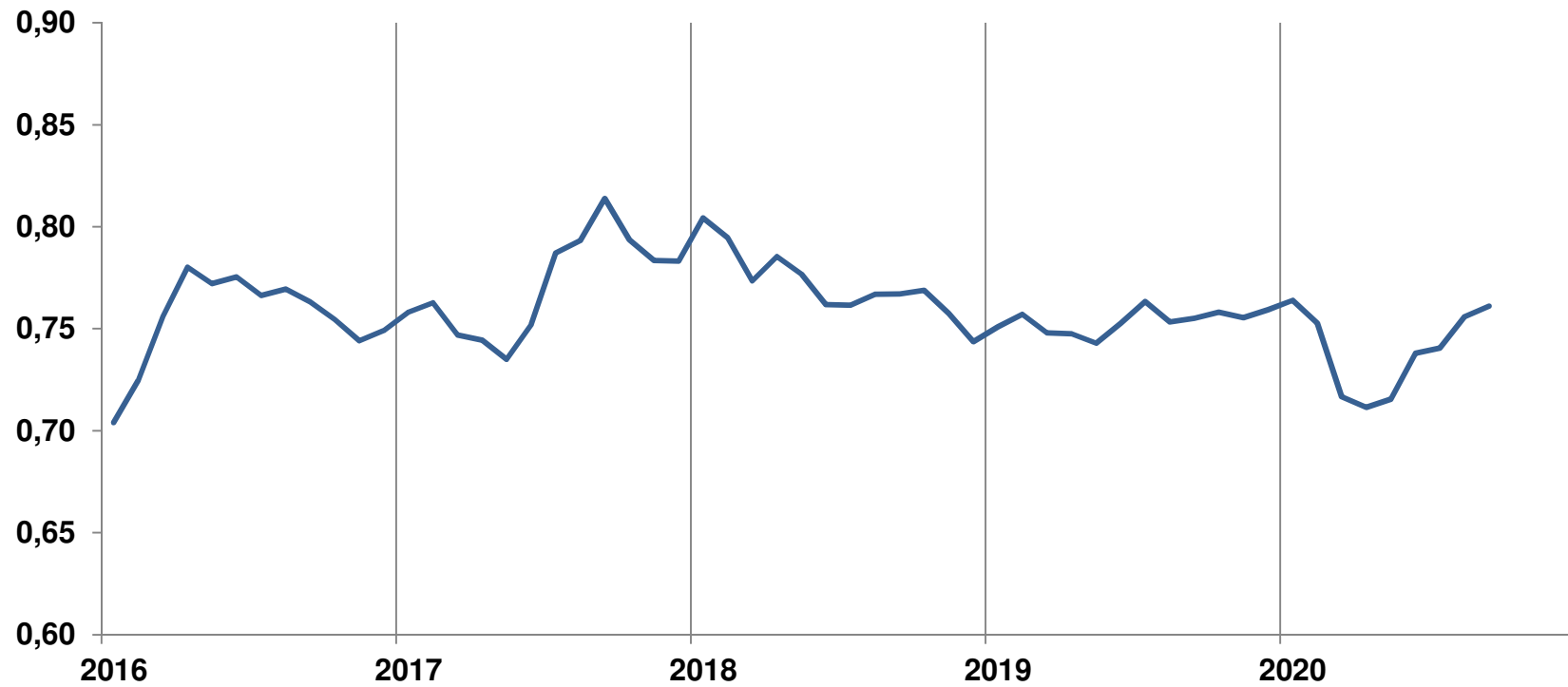
Sources :

- Quebec : Price of cull cows marketed in Quebec auctions, PBQ

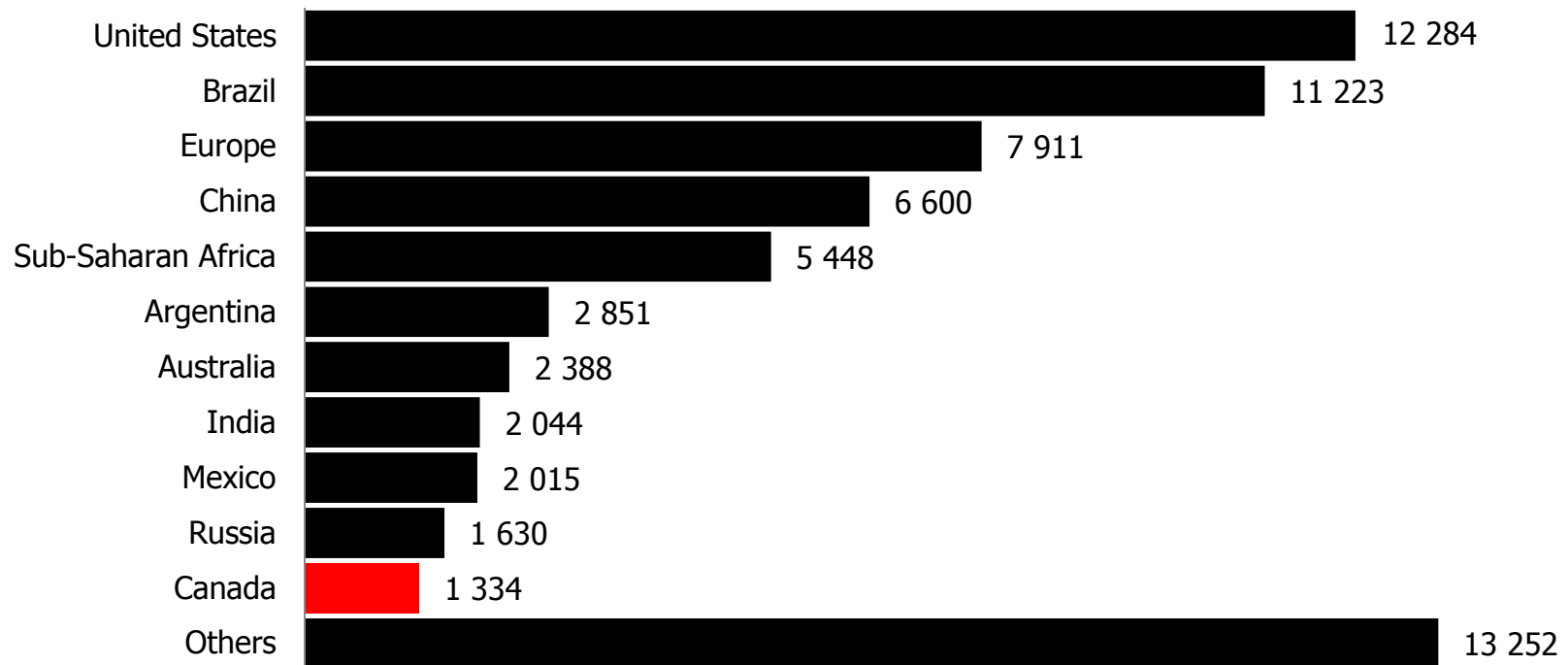
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# Exchange rate \$ CAN / \$ US



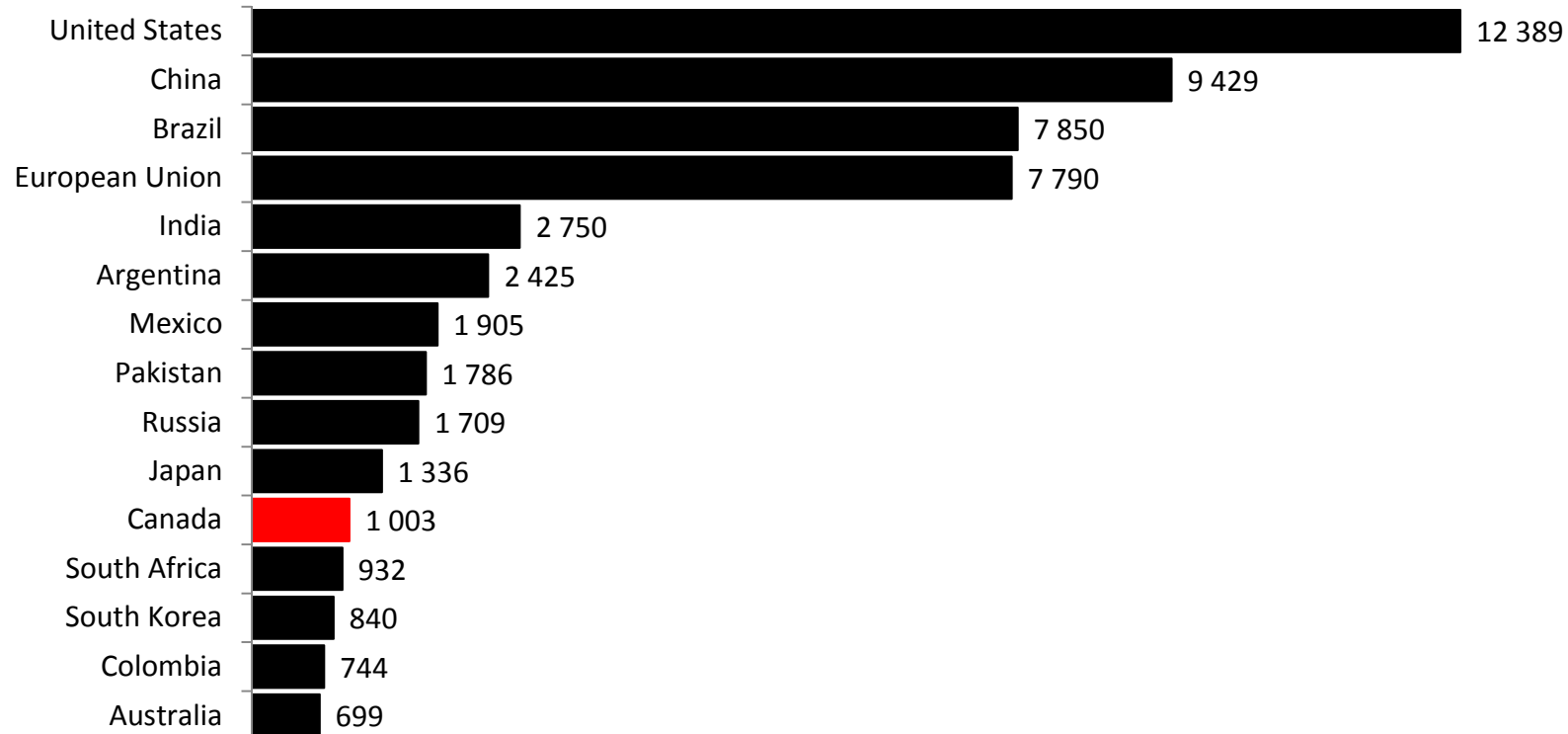
## Beef and veal net production (1000 t, cwe) - 2019



Source :

- GIRA

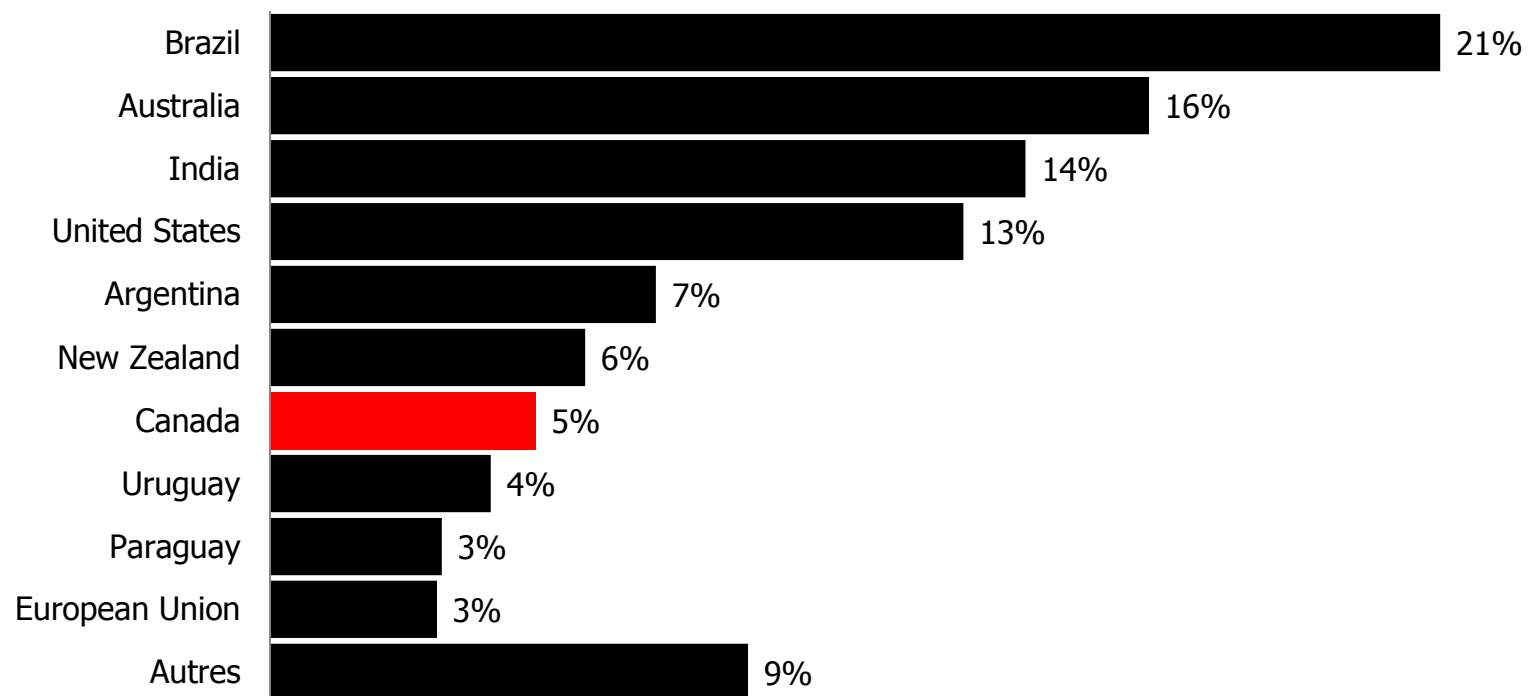
## Beef and veal meat consumption by countries (1000 t, cwe) - 2019



Source :

- GIRA

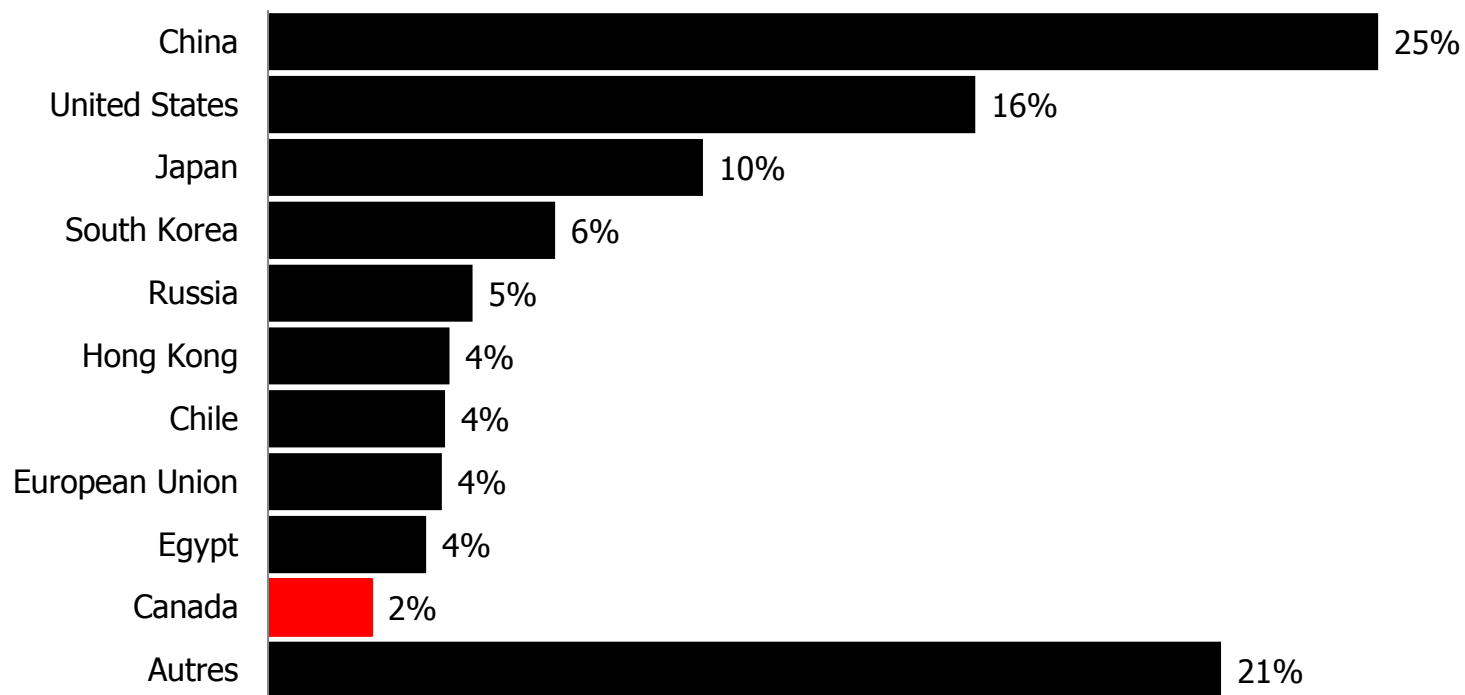
## World top beef exporters (% world) - 2019



Source :

- GIRA

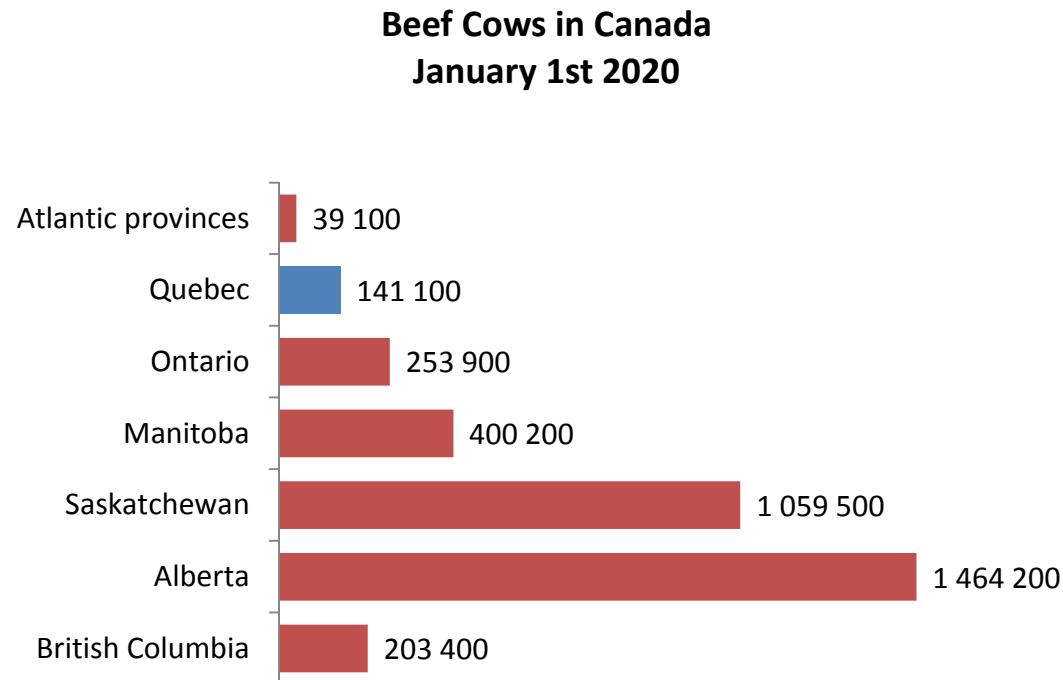
## World top beef importers (% world) - 2019



Source :

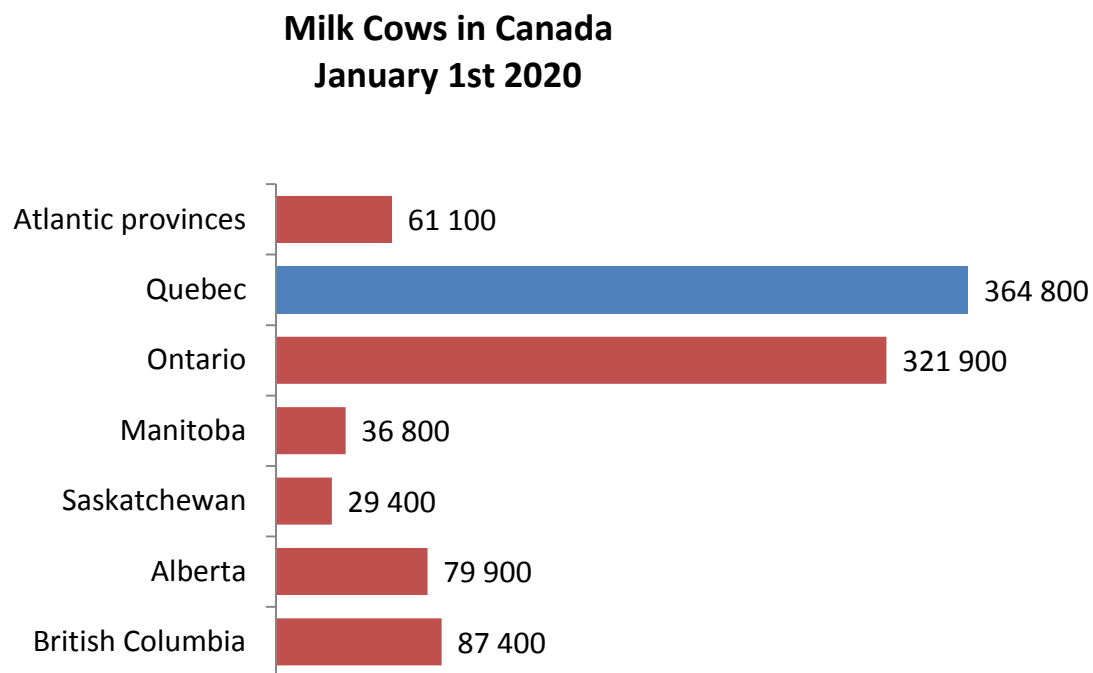
- GIRA

# Beef-Cow inventory in Canada 2020



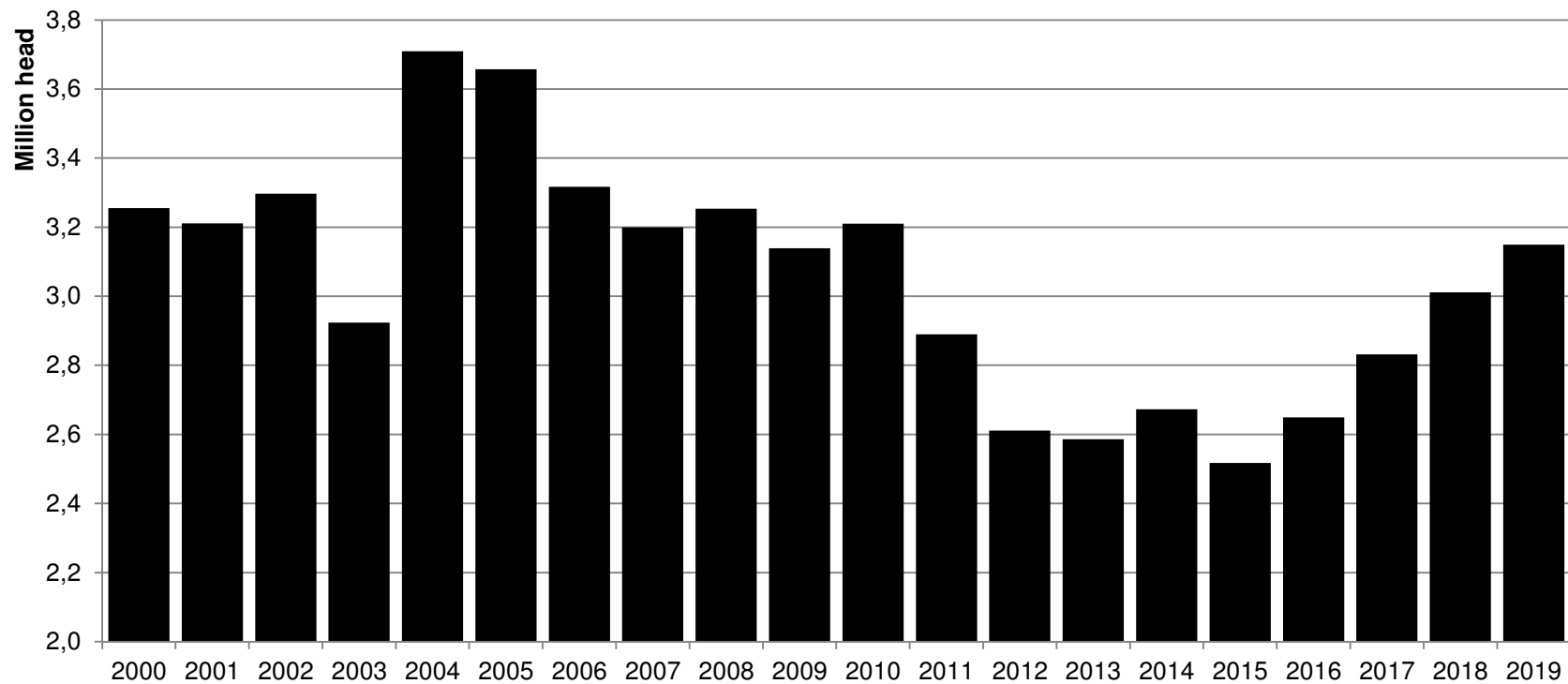
Source :  
• Statistique Canada

# Beef-Cow inventory in Canada 2019



Source :  
• Statistics Canada

## Number of cattle Slaughtered in Federally Inspected Plants

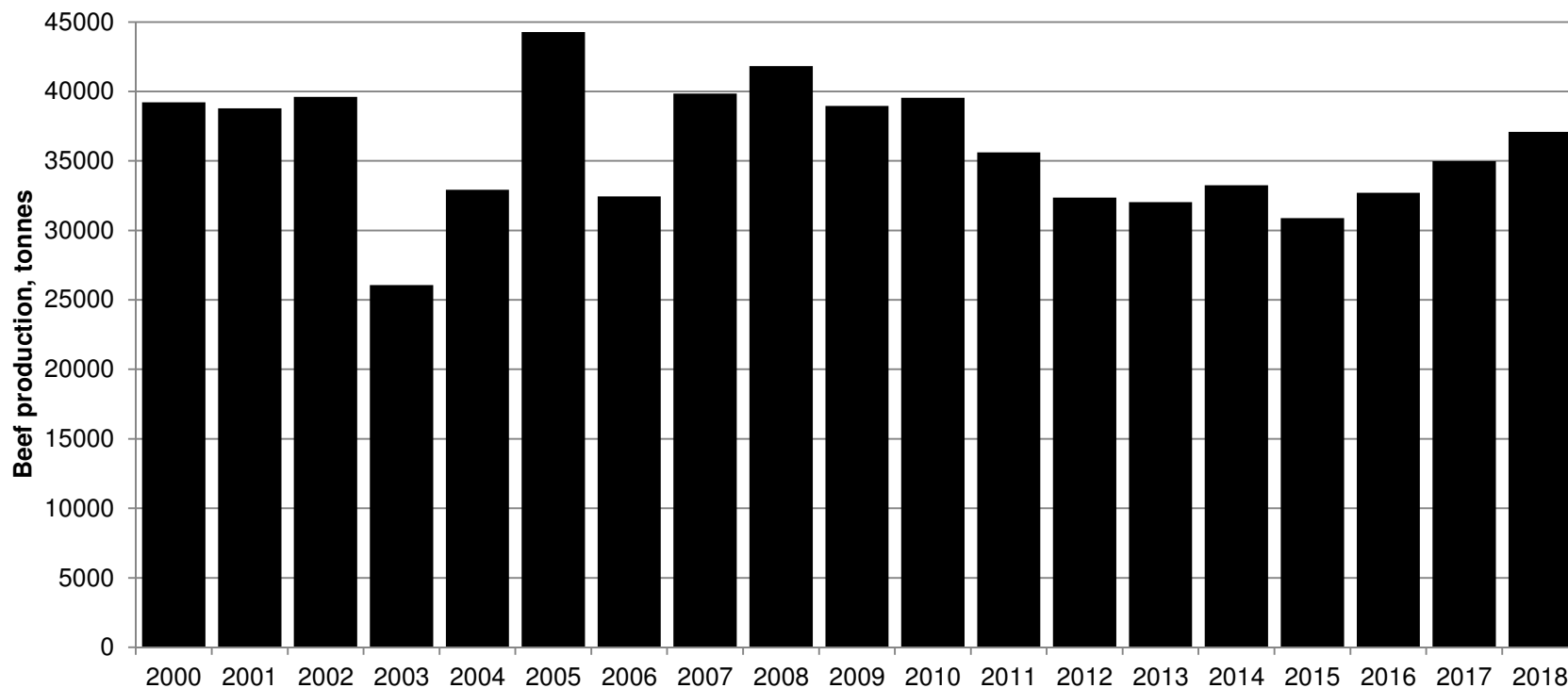


Sources :

- Canadian Beef Grading Agency, AAFC



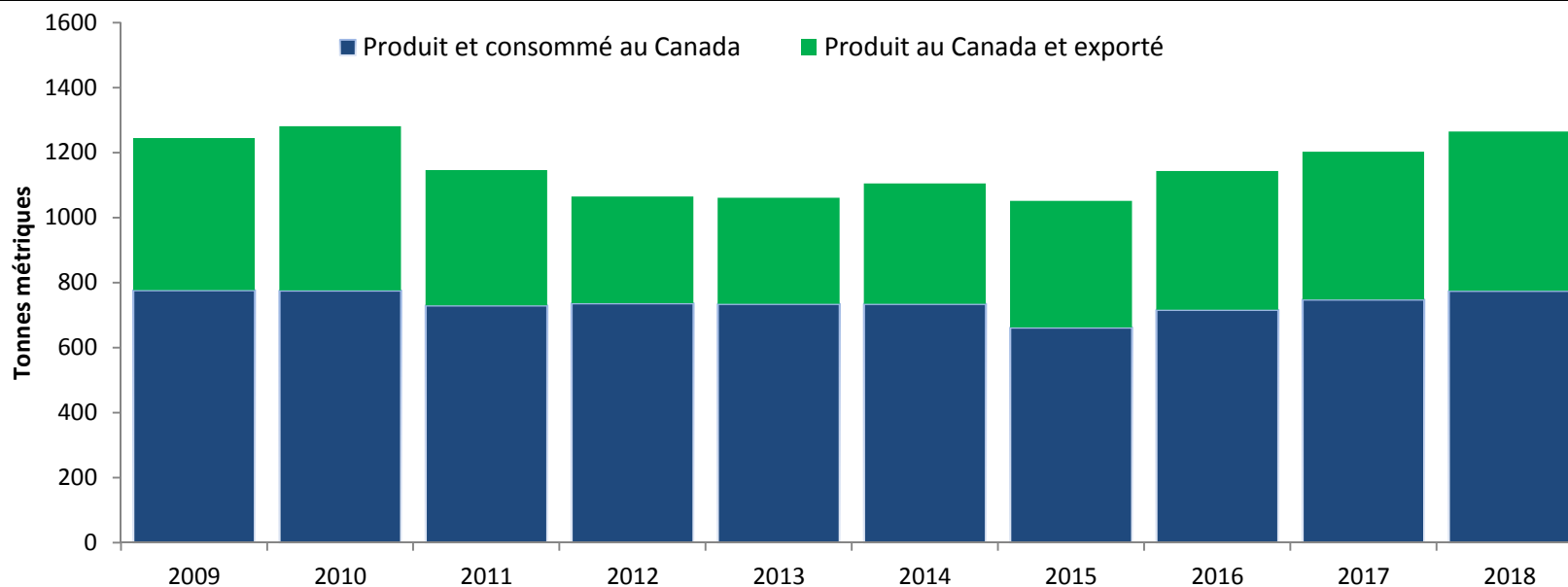
## Canadian beef and veal production



Sources :

- Statistics Canada (Edible offal, meat production)

## % Canadian beef and veal production exported

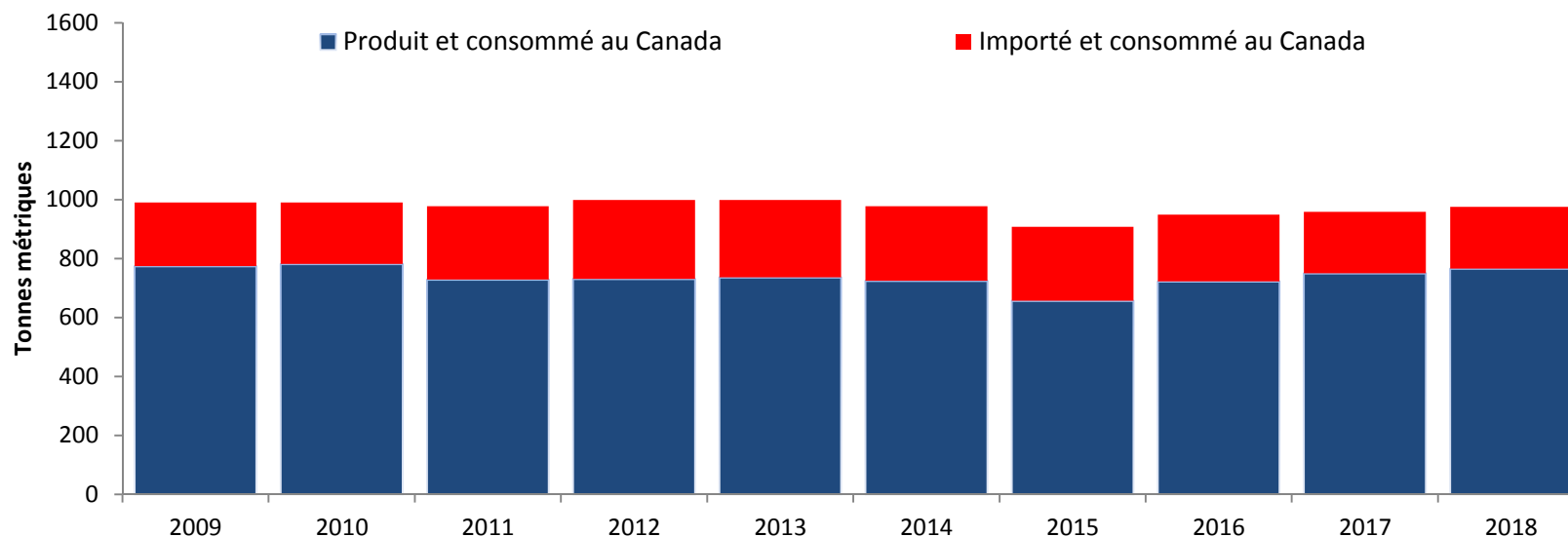


% exporté / produit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
% exporté / produit	38%	39%	36%	31%	31%	33%	37%	37%	38%	39%

Sources :

- Statistics Canada

# % Canadian beef and veal consumption imported



% Importé / consommé	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
% Importé / consommé	22%	21%	25%	27%	26%	26%	28%	24%	22%	22%

Sources :  
 • Statistics Canada

# Beef and veal meat exports from Canada

Beef and veal meat exports (tonnes)	Jan. 1 - July 31		
	2020	2019	% chg
United States	171 647	182 105	-6%
Japan	25 241	27 440	-8%
Hong Kong	7 491	8 473	-12%
Mexico	6 864	8 676	-21%
China	4 877	11 475	-57%
South Korea	3 136	3 291	-5%
Vietnam	2 114	410	416%
Angola	1 495	1 706	-12%
Peru	1 245	1 354	-8%
Others	5 891	8 843	-33%
Total	230 001	253 773	-9%

Sources :

- Statistics Canada, AACF

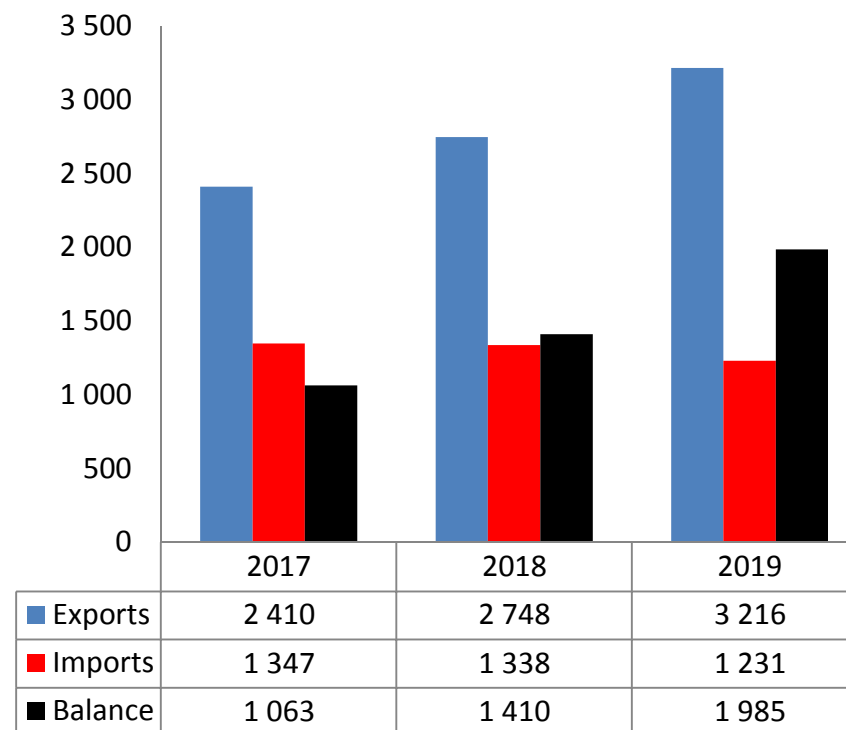
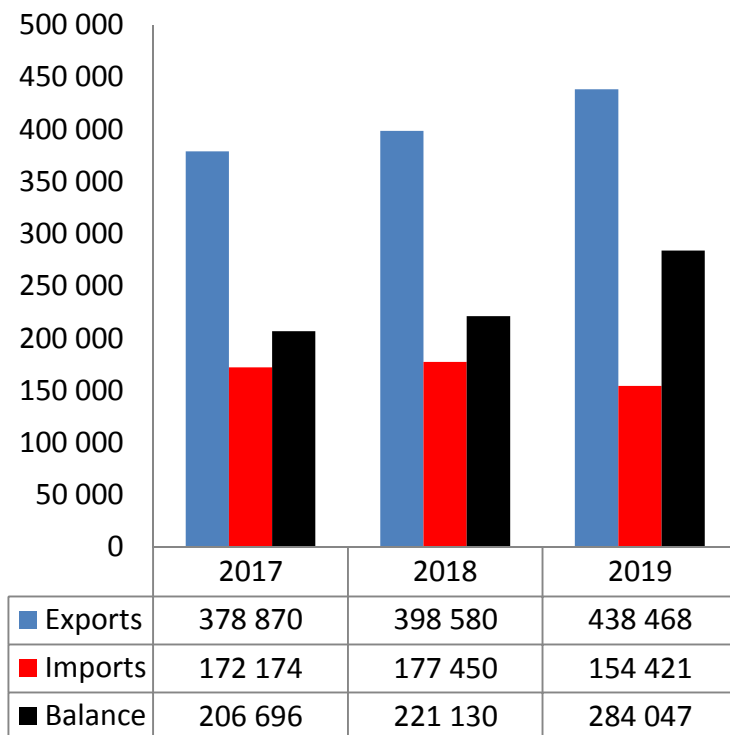
## Beef and veal imports to Canada

Beef and veal meat imports (tonnes)	Jan. 1 - September 5		
	2020	2019	% chg
United States	79 500	73 584	8%
New Zealand	12 662	9 442	34%
Uruguay	10 923	6 887	59%
Australia	10 110	10 337	-2%
Mexico	5 603	3 930	43%
United Kingdom	3 537	1 735	104%
Others	12 683	4 363	191%
Total	135 018	110 278	22%

Sources :

- Statistics Canada, AACF

## Imports and exports of beef and veal, Canada (kg, \$CA) 2017-2019



Sources :

- Statistics Canada, AACF

## Veal exports from Canada

Veal exports (tonnes)	Jan. 1 - July 31		
	2020	2019	% chg
United States	1 168	1 554	-25%
Émirats Arabes Unis	51	131	-61%
Saint-Pierre et Miquelon	5	7	-23%
Autres	0	7	
Total	1 224	1 699	-28%

Sources :

- Statistics Canada, AACF

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# Veal imports to Canada

Veal imports (tonnes)	Jan. 1 - Sept. 18		
	2020	2019	% chg
United States	540	997	-46%
New Zeland	409	182	-
Australia	105	210	-50%
<b>European Union - 27</b>			
Netherland	183	223	-18%
Others	84	1	
<b>Total</b>	<b>1 321</b>	<b>1 613</b>	<b>-18%</b>

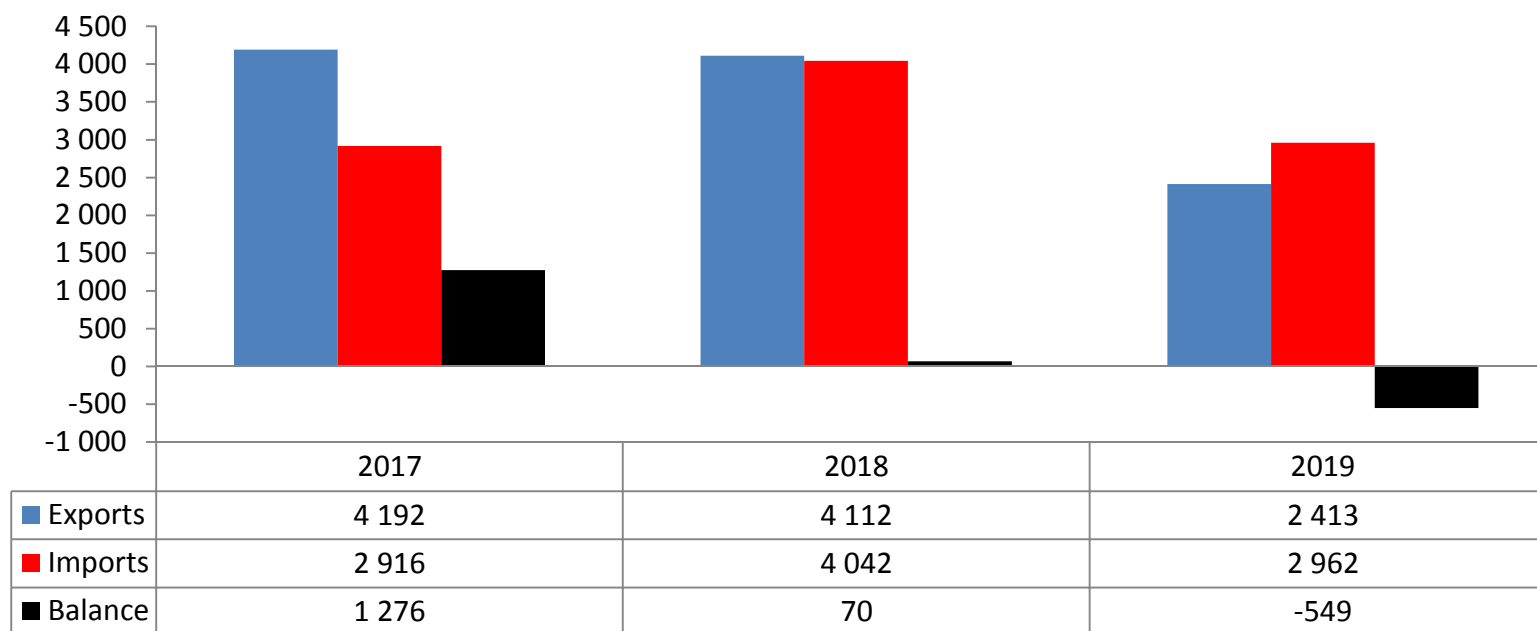
Sources :

- Statistics Canada, AACF



## Imports and exports of veal, Canada annual data (tonnes) 2017-2019

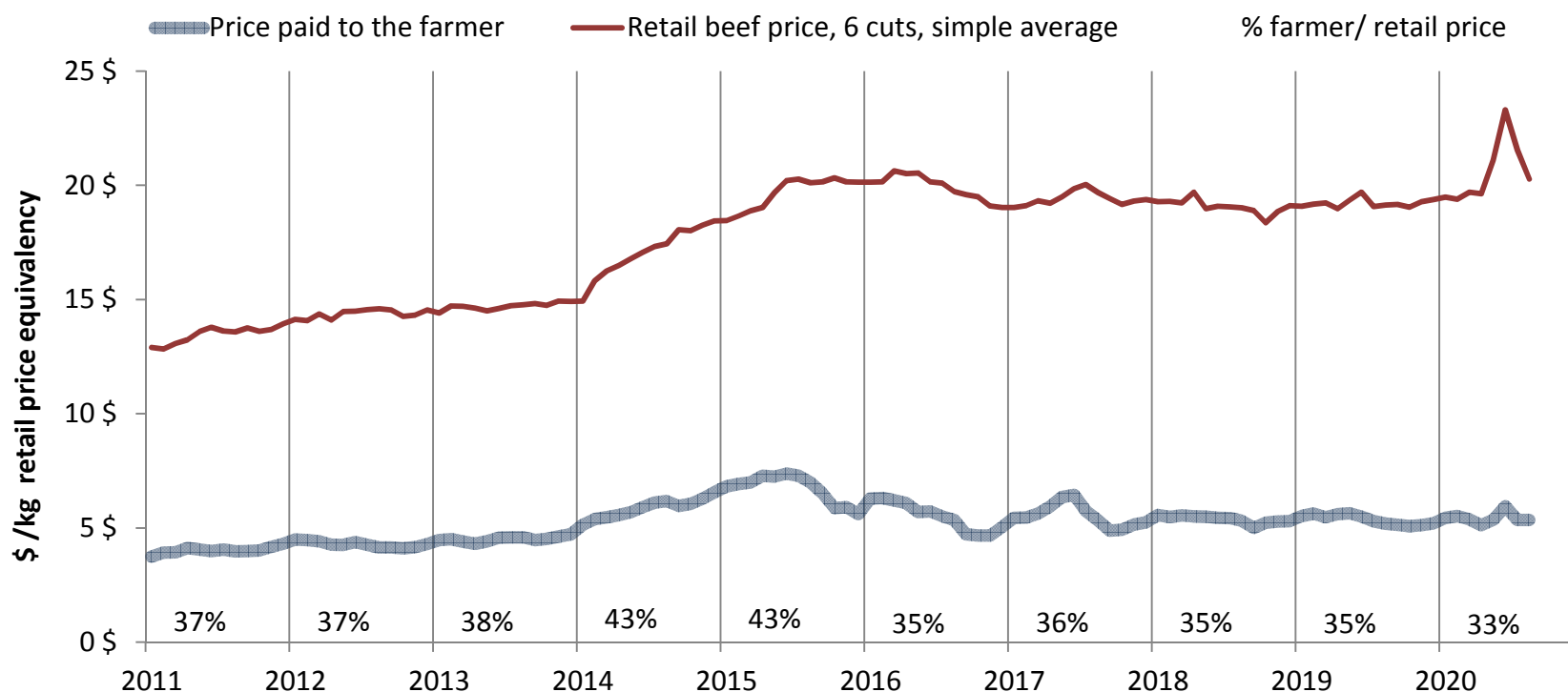
tonnes



Sources :

- Statistics Canada, AACF

# Beef price cuts vs price paid to the producer

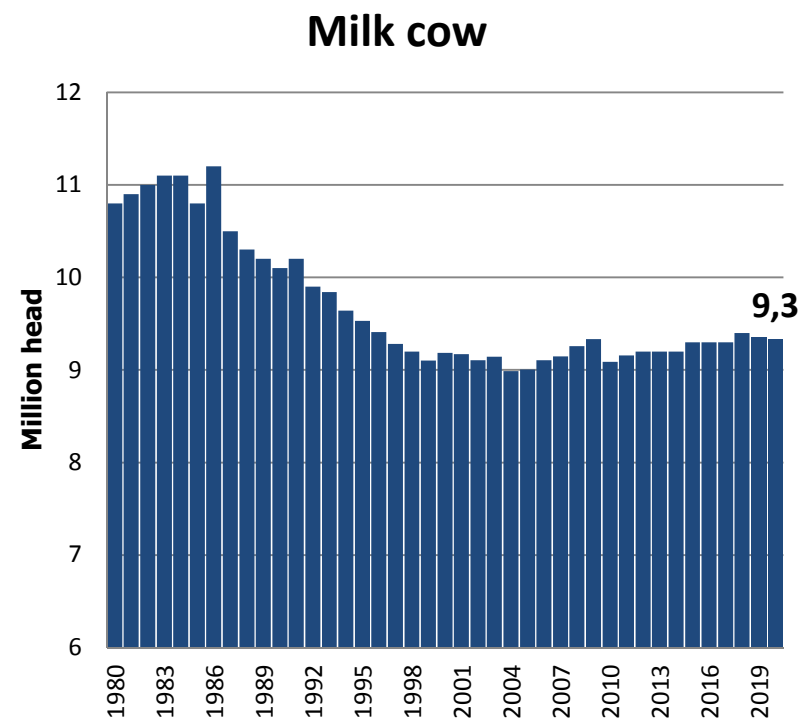
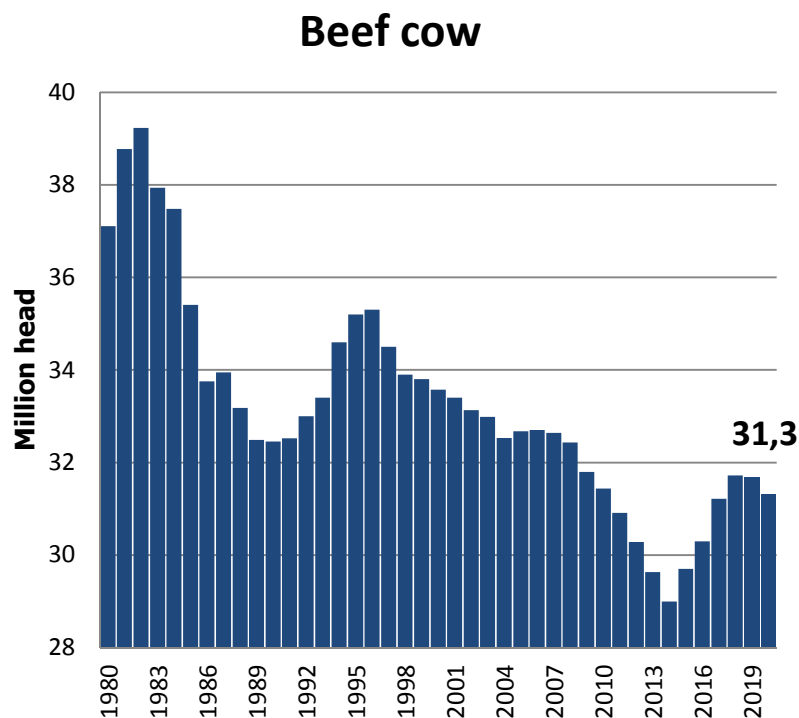


## Sources :

- Statistics Canada pour les prix au détail moyenne arithmétique 6 coupes (bifteck de ronde, bifteck de surlonge, rôti de côtes de choix, rôti de palette, bœuf à ragout, bœuf haché régulier)
- PBQ pour le prix aux producteur (rendement de 46% pour ramener le prix vif en prix de détail)

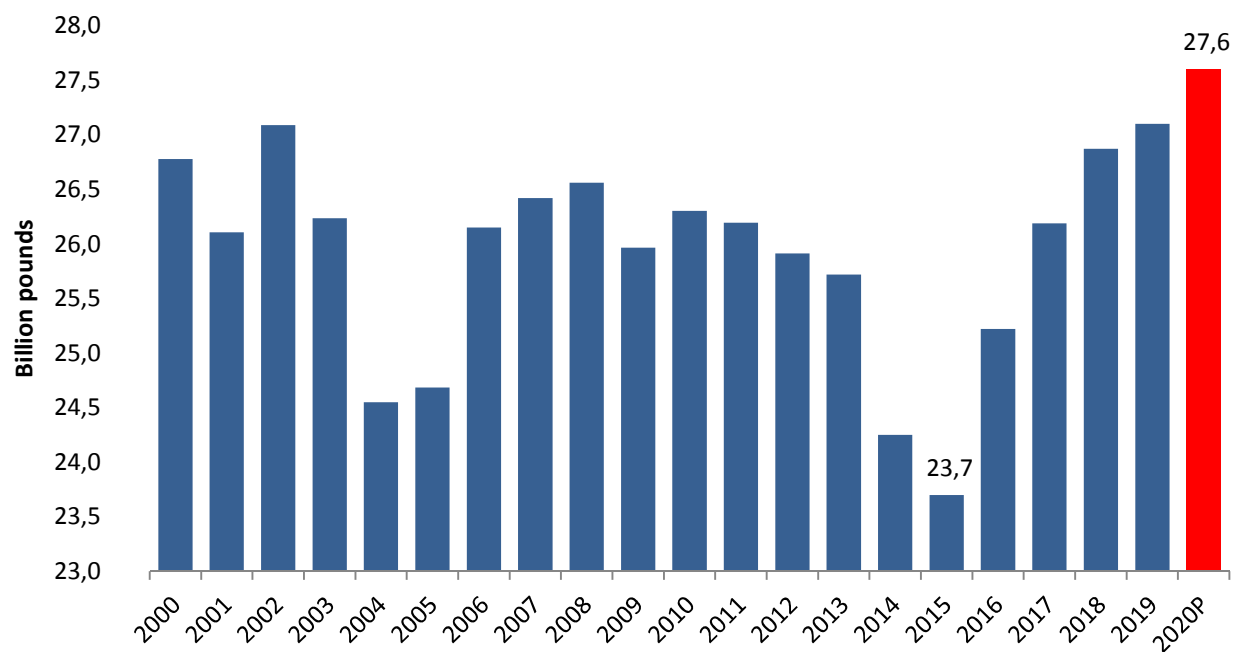
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# Beef cow and milk cow inventory in United-States



Source :  
• USDA

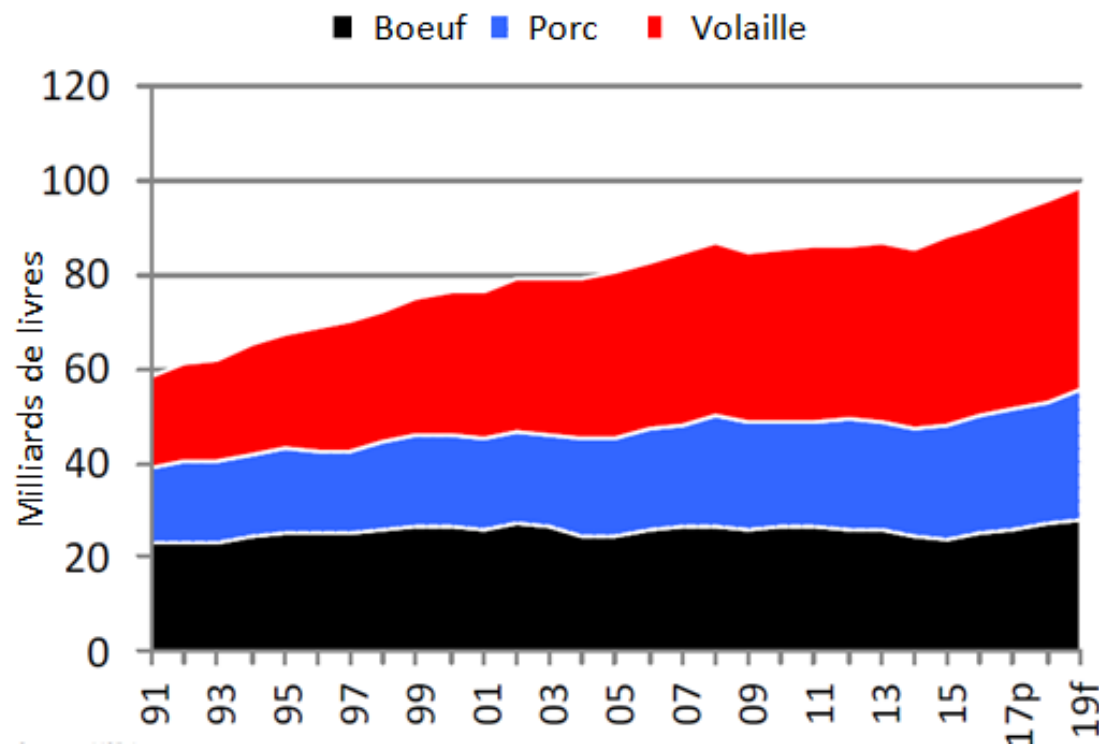
# Beef production in United-States



Sources :

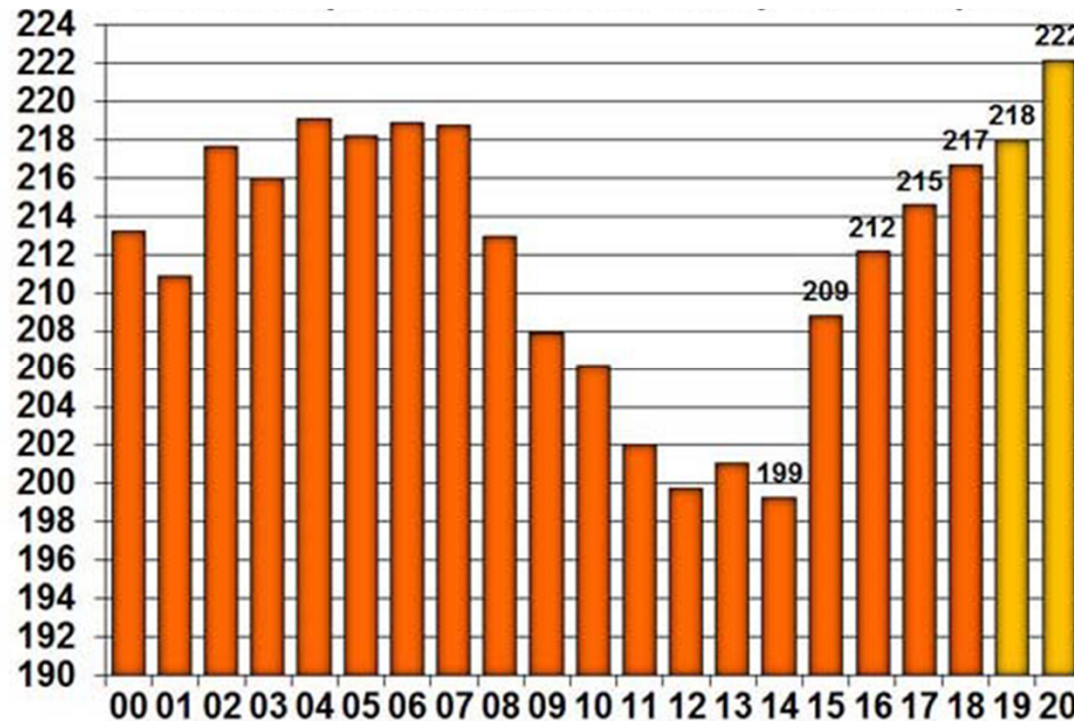
- USDA et CattleFax

## Beef – pork –poultry production in United-States



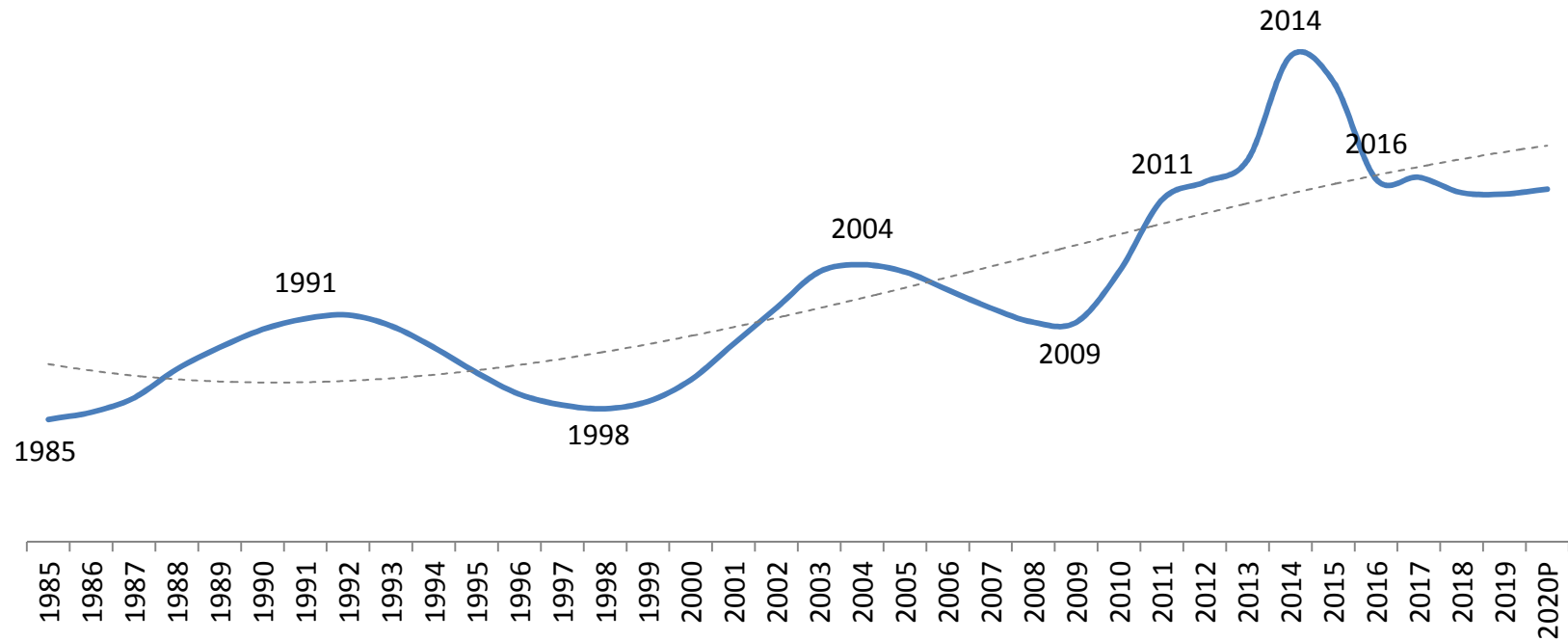
Sources :  
• USDA

# Beef – pork – poultry Consumption per capita in United-States (lb)



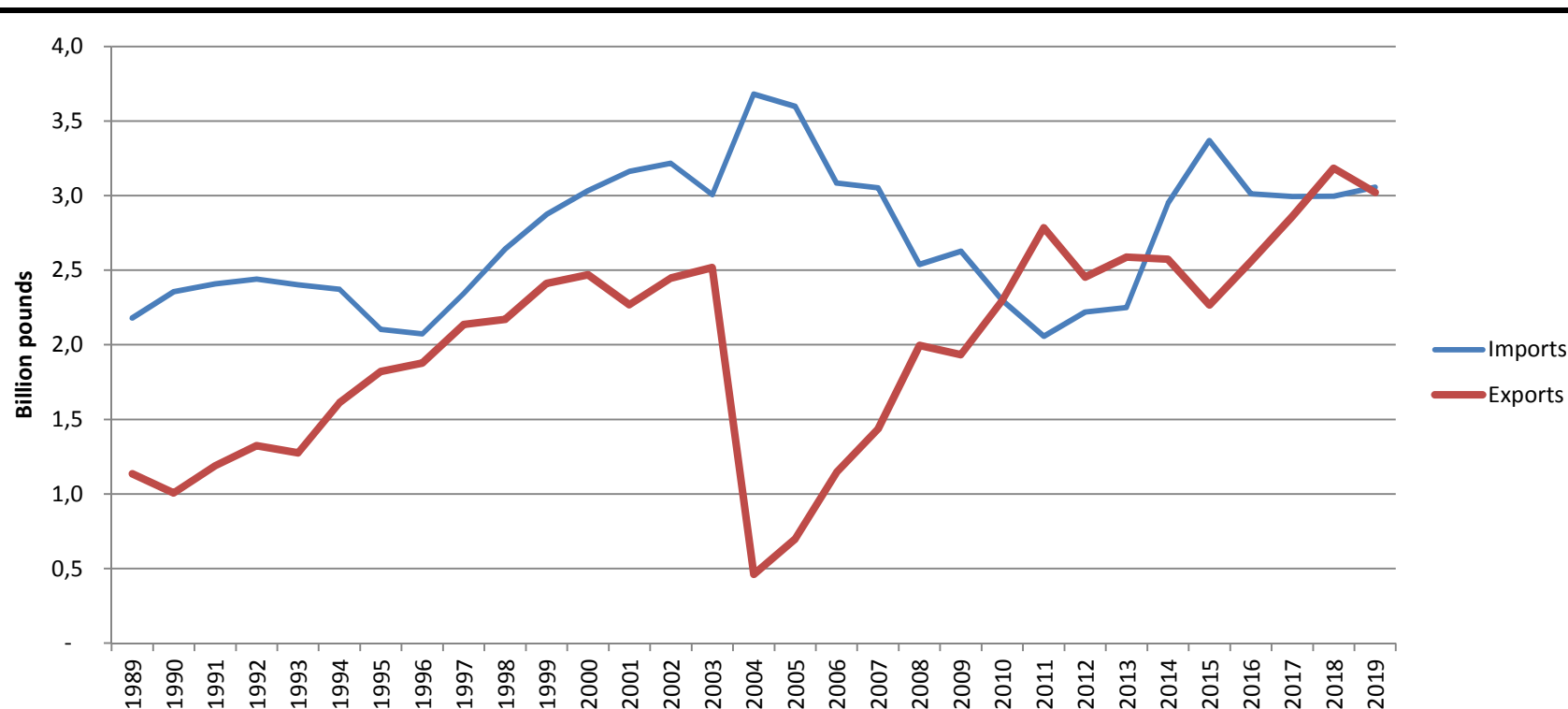
Sources :  
• USDA, CattleFax

# Cattle price cycle in United-States



Sources :  
• CattleFax

# Beef imports and exports in United-States



Sources :

- USDA et Cattlefax



## Long term outlook

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- Beef cattle herd contraction is underway in United-States which should have lead to less beef production and somewhat firmer prices by the end of 2020.
  - However, COVID-19 is causing extreme volatility and blurring market signals.
  - The economic recession could cause demand to decline in the medium to long term.
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## Short term outlook

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- Slaughter capacity is increasing but there are still cattle backlogged (especially in Western Canada).
- Carcass weights remain extremely high, further increasing beef production.
- Despite the reopening of food services, they are still operating well below pre-COVID levels.
- The futures market remains relatively optimistic for this fall

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Source : Canfax, CattleFax, Canadian Boxed Beef Report

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# PRODUCTEURS DE BOVINS DU QUÉBEC

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## Sources :

AAFC, USDA, Canfax, Cattlefax, PBQ, GIRA, Kevin Grier

## Links:



Ann Fornasier, agr., M. Sc. | Agroeconomiste  
Les Producteurs de bovins du Québec - UPA

**Thank you!**

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