

A GLANCE AT BEEF AND VEAL MARKET

October 2020

Les Producteurs
de bovins du
Québec



A GLANCE AT BEEF AND VEAL MARKETS

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October 2020

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Québec



Slaughter volume (head) in 2020

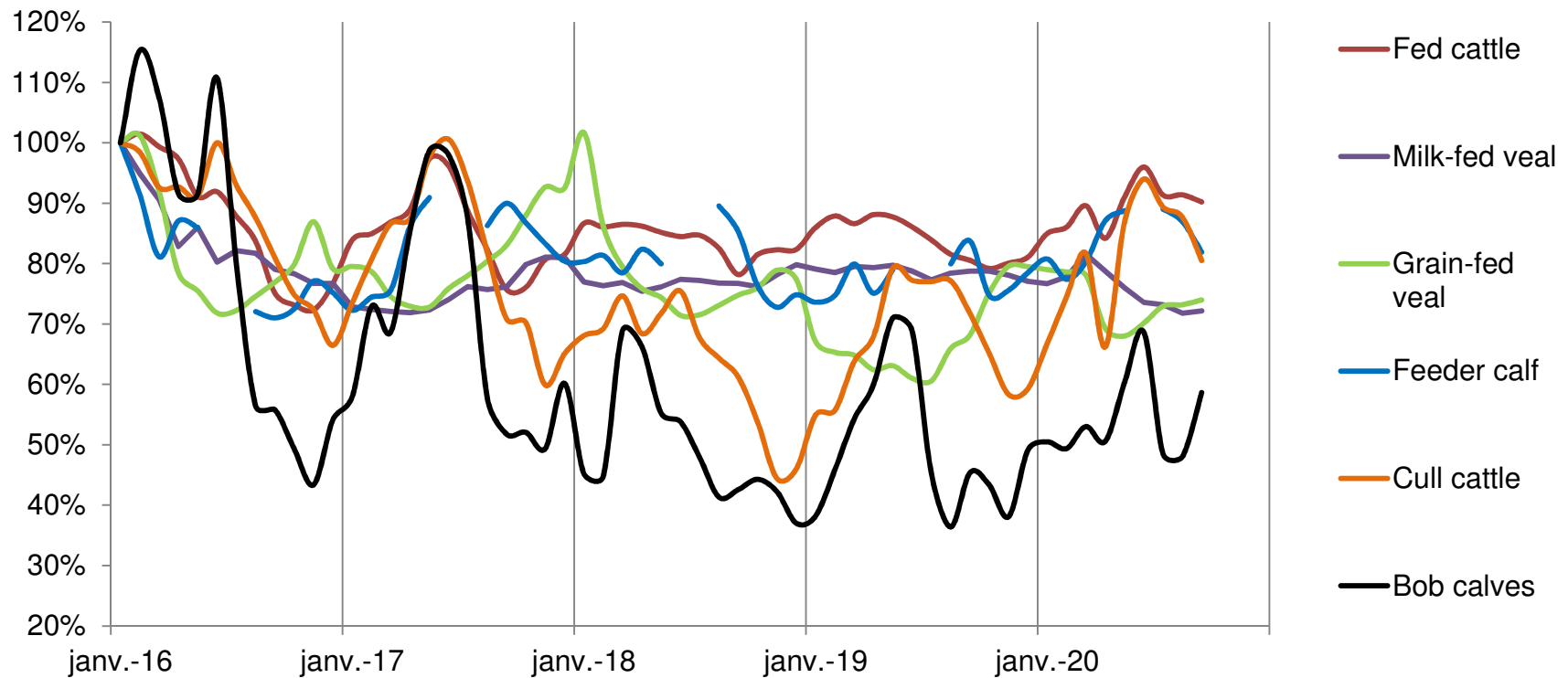
		Canada			United-States
		West	East	Total	Total
Steers and heifers	2020	1 556 288	422 326	1 978 614	18 715 000
	% chg 2019	- 3 %	- 3 %	- 3 %	- 4%
Cows and bulls	2020	235 736	78 481	314 217	5 038 000
	% chg 2019	- 24 %	- 7 %	- 20 %	- 1 %
Milk fed and grain fed calves	2020			122 155	138 137
	% chg 2019			- 8 %	1,5 %

Source :
AAFC (Year to date)

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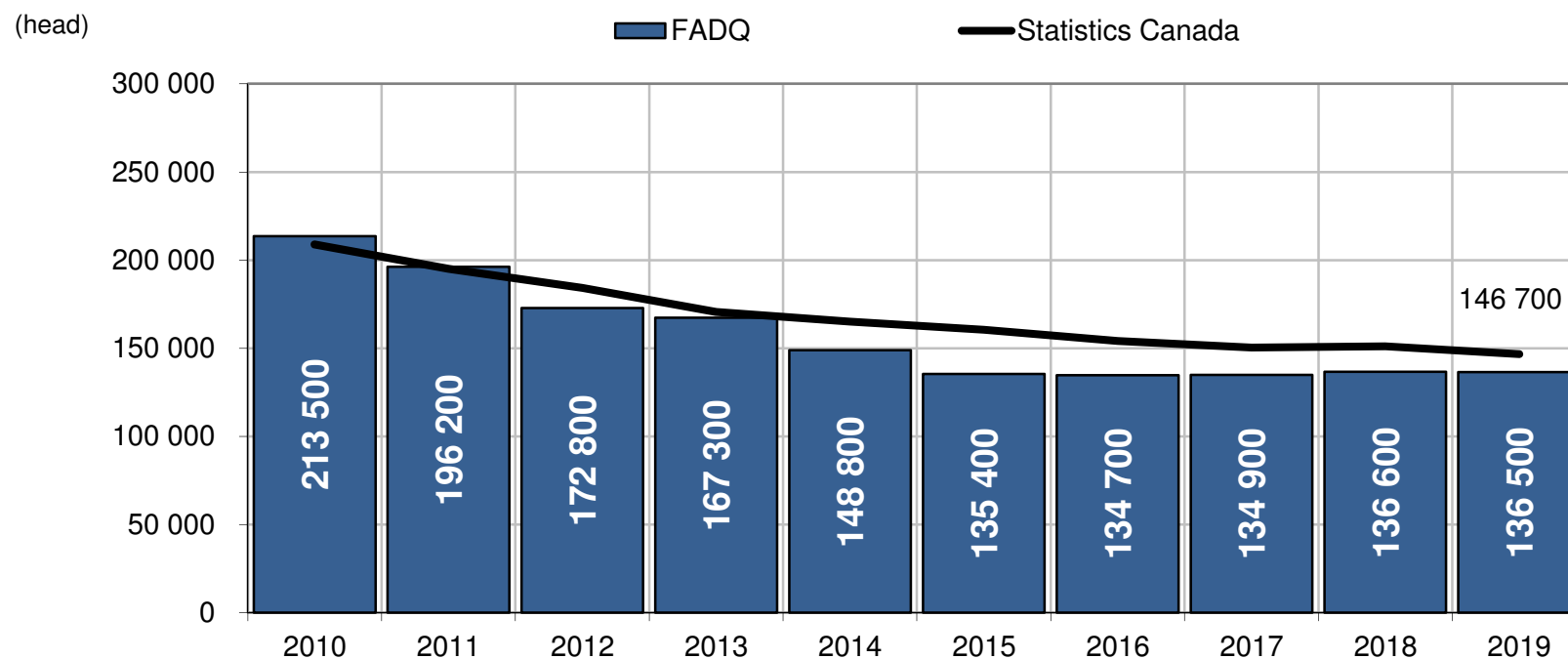


Price variation of cattle in Quebec since January 2016



Source :
• PBQ

Feeder calf Number of beef cows in Quebec

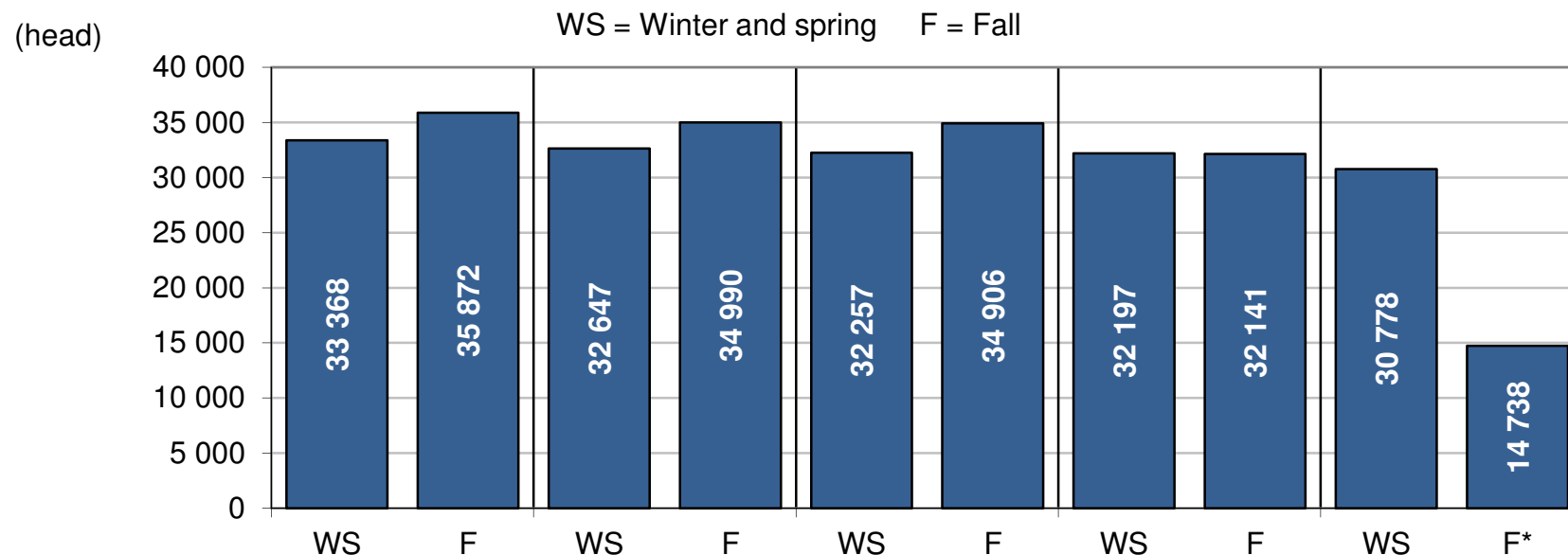


Sources :

- 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)



	2016	2017	2018	2019	2020
Head	69 240	67 637	67 163	64 338	45 516
Weight (lb)	658	659	657	664	674

* preliminary

Source :

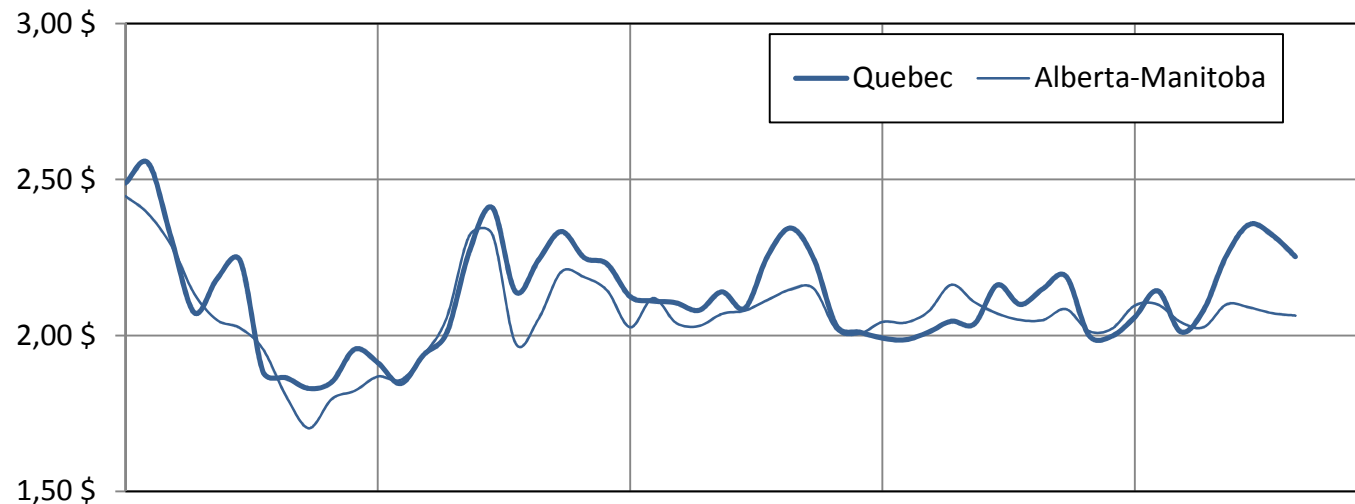
Number and average weight of feeder calves sold in the specialized market auctions in Quebec, PBQ

Feeder calf

Price of male feeder calves (600-700 lb)

Quebec and Alberta-Manitoba

(\$cwt)



	2016	2017	2018	2019	2020
Quebec	2,11 \$	2,14 \$	2,14 \$	2,06 \$	2,19 \$
Que-(Alb-Man)	0,07 \$	0,06 \$	0,07 \$	0,00 \$	0,11\$

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

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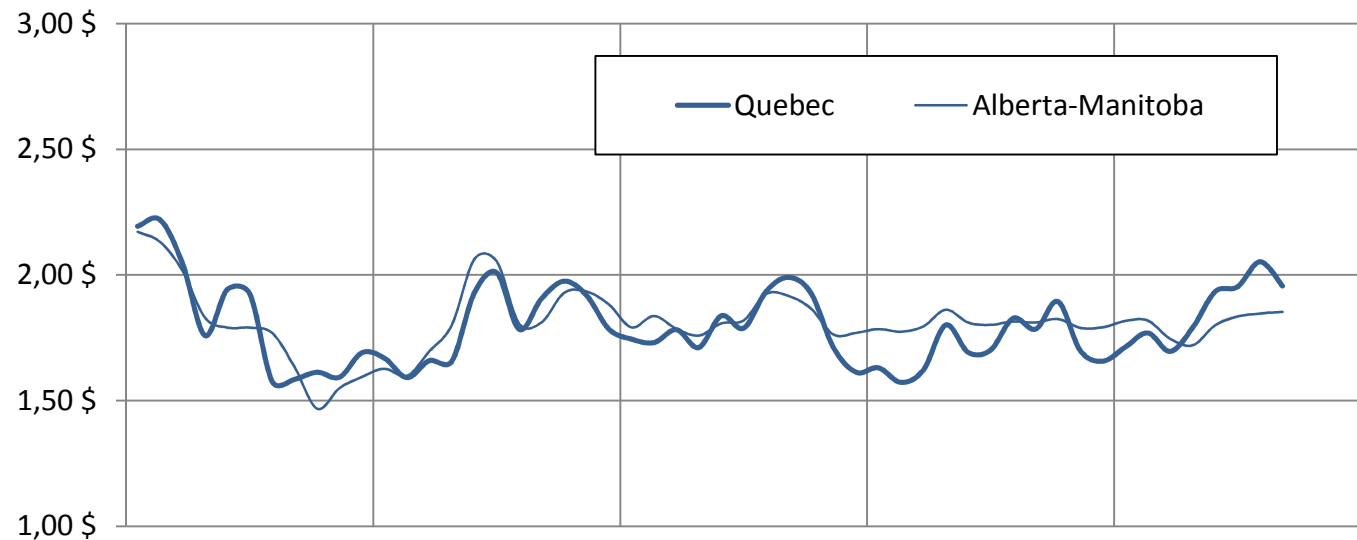


Feeder calf

Price of female feeder calves (600-700 lb)

Quebec and Alberta-Manitoba

(\$/cwt)



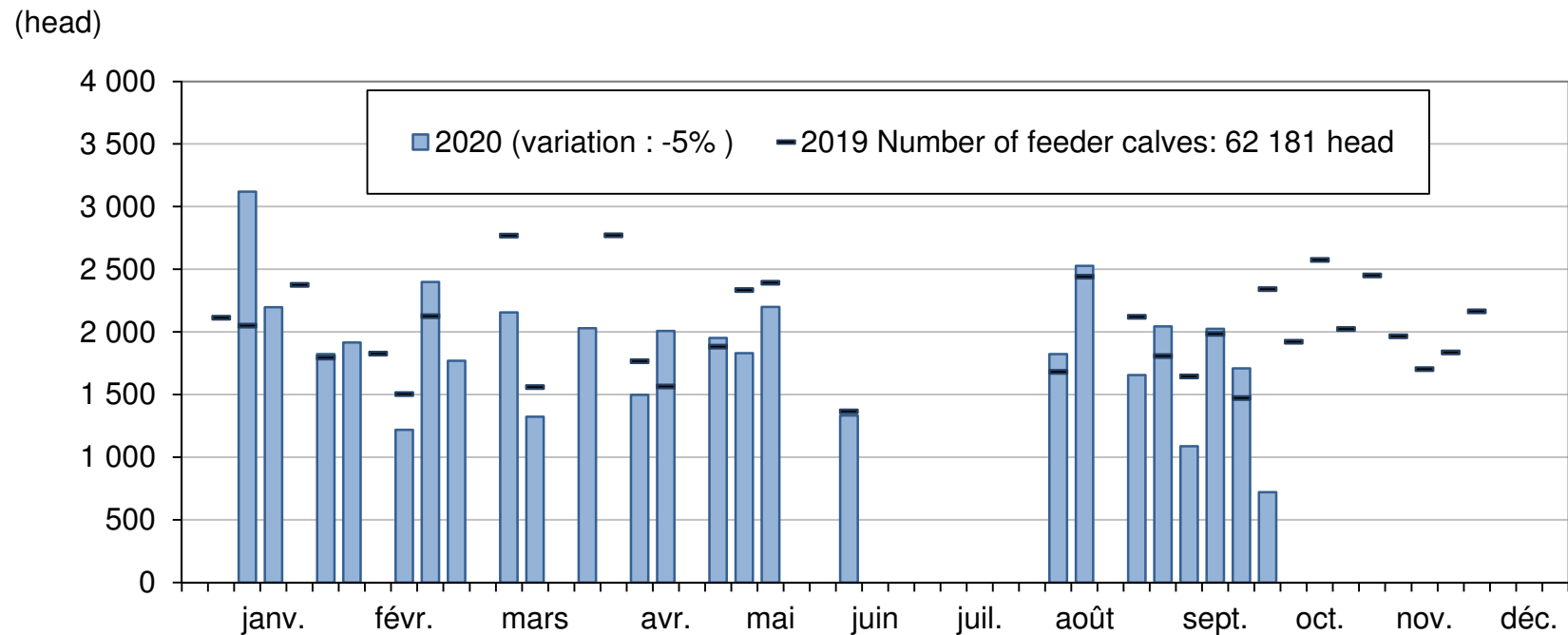
	2016	2017	2018	2019	2020
Quebec	1,79 \$	1,84 \$	1,82 \$	1,72 \$	1,86 \$
Que-(Alb-Man)	0,04 \$	-0,03 \$	-0,02 \$	-0,09 \$	0,05 \$

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

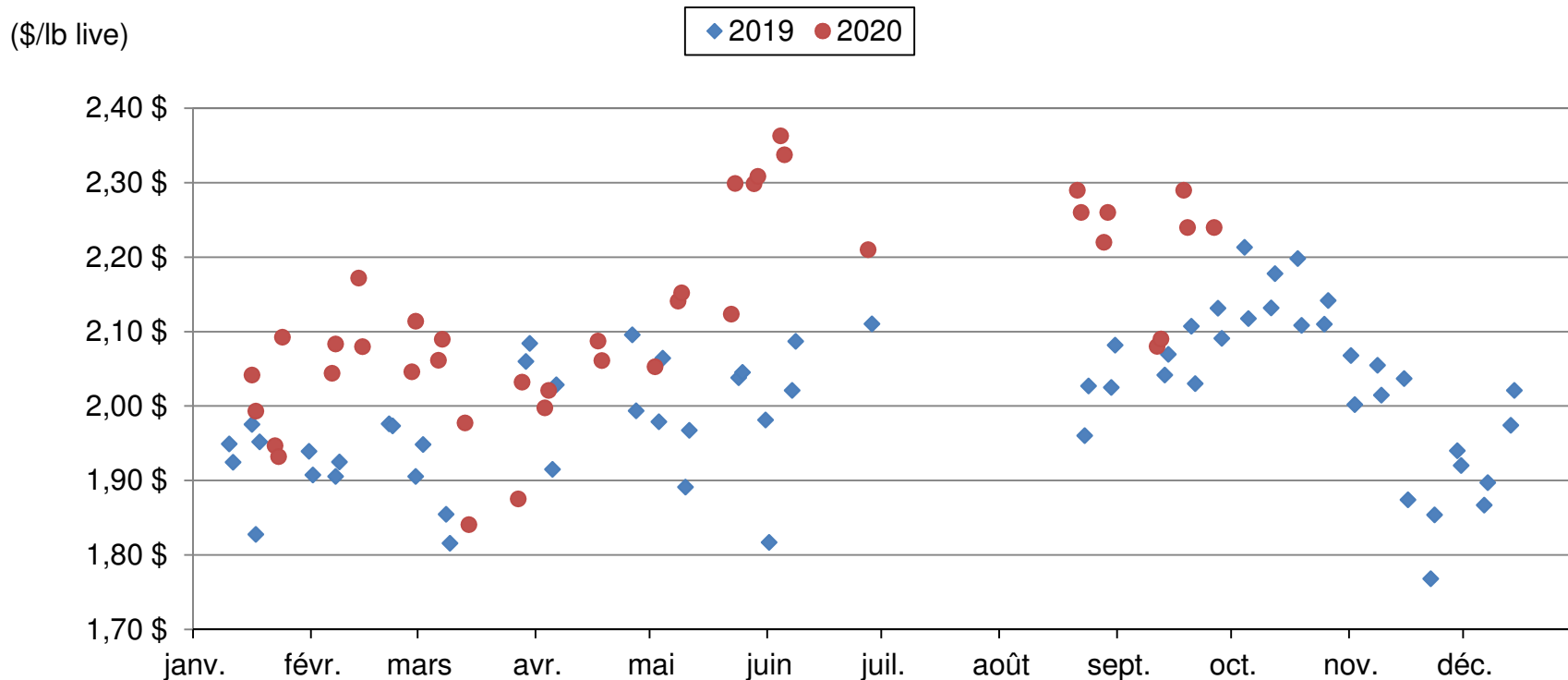


Source :
Number of feeder calves in Quebec specialized auctions in Quebec, PBQ

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

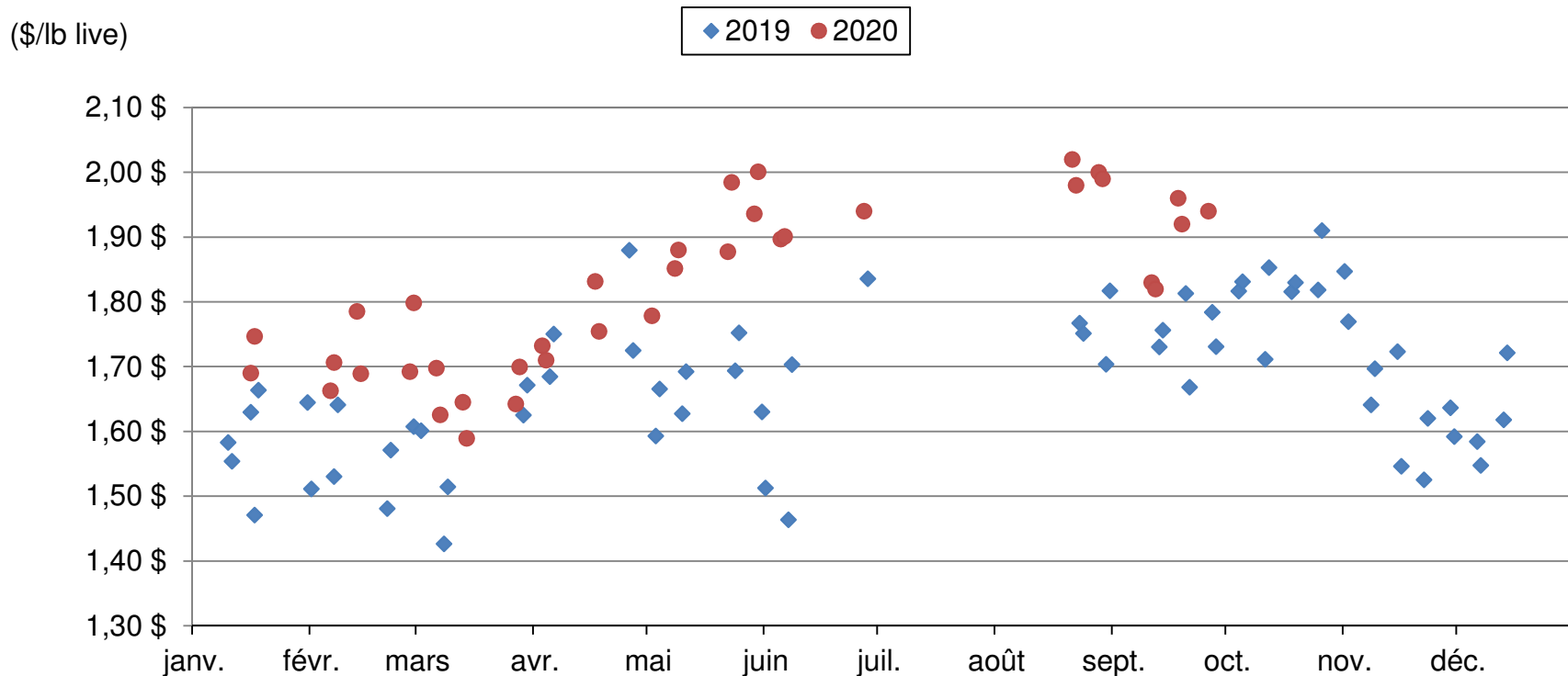
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Feeder calf

Price of female feeder calves (600-700 lb)

Quebec specialized auctions 2019-2020



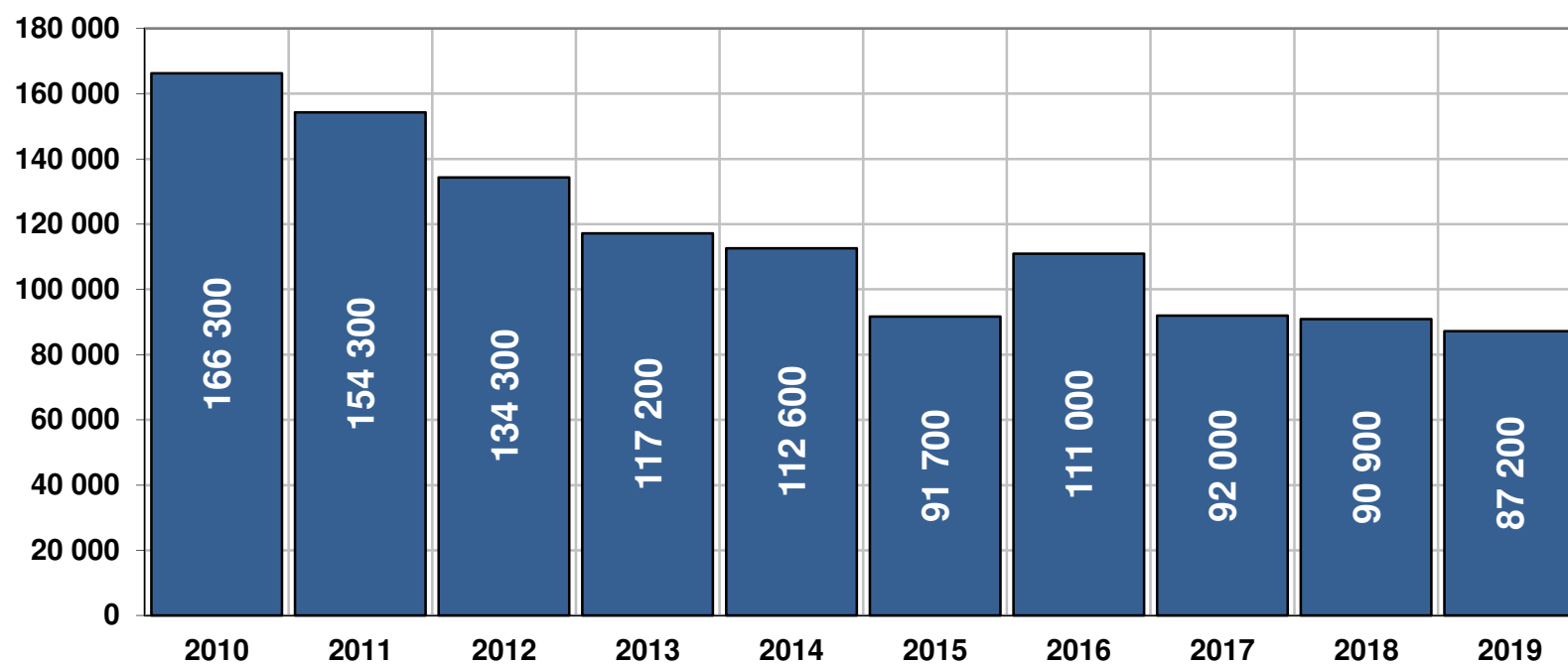
Sources :

- 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

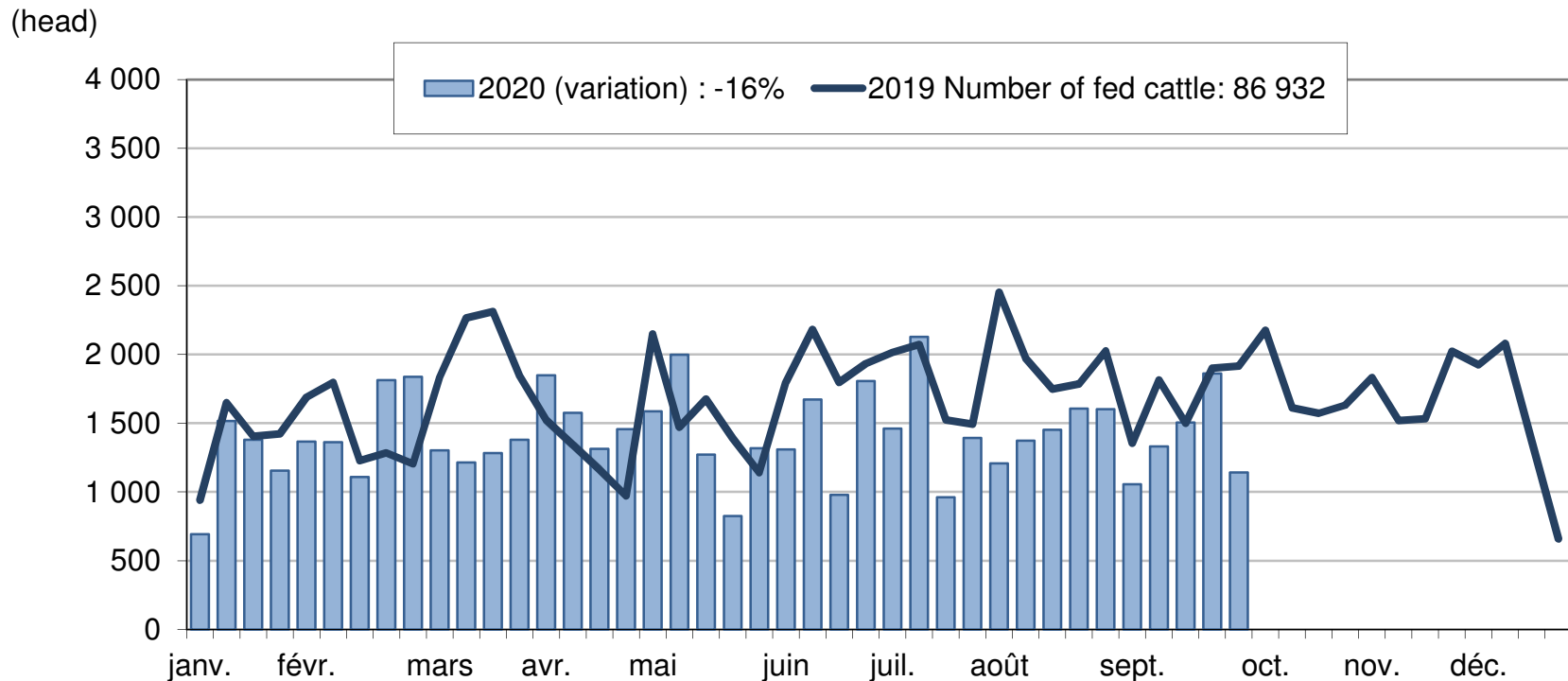
(head)



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

Fed cattle

Number of cattle fed in Quebec 2019-2020



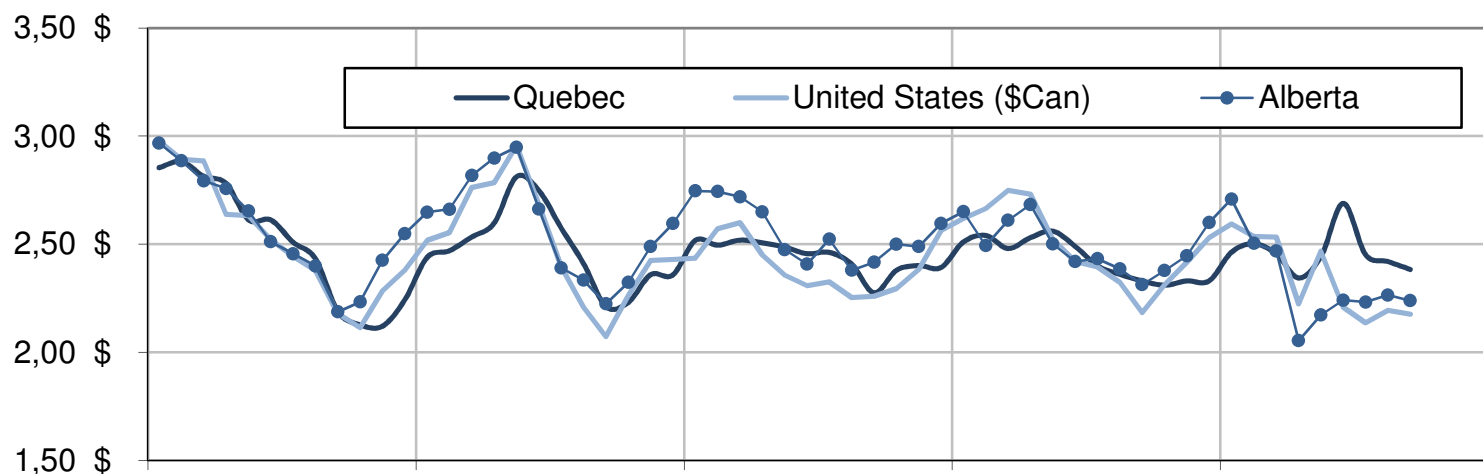
Source:

- 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 \$	0,12 \$
Que-Alb	-0,05 \$	-0,10 \$	-0,11 \$	-0,06 \$	0,14 \$

Sources :

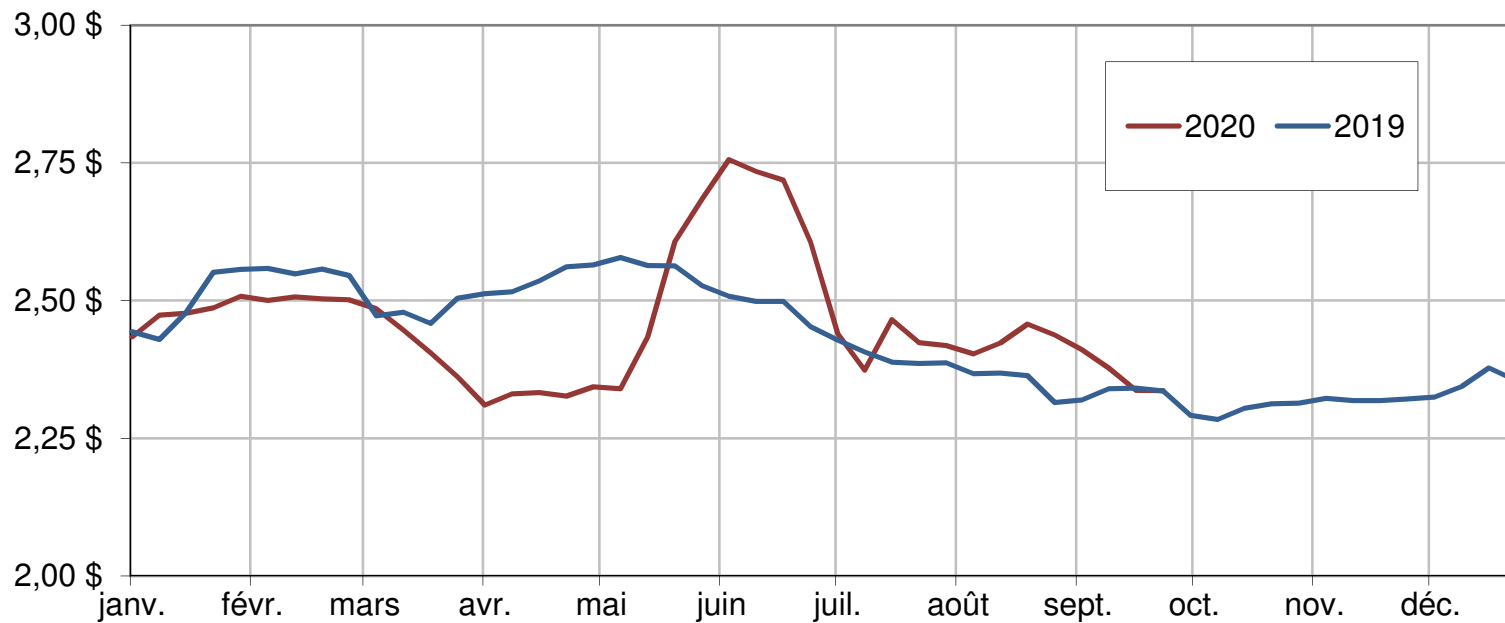
- Quebec : Bid price for steers, complete loads, sold to Canada and United-States, spot market, FOB, PBQ
- Ontario : Bid price for steers, direct sales, OCA
- Alberta : Bid price for steers, direct sales, Canfax
- United-States : Bid price for steers, direct sales, Five Area, USDA

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Fed cattle

Price of fed cattle in Quebec 2019-2020

(\$/lb carc)

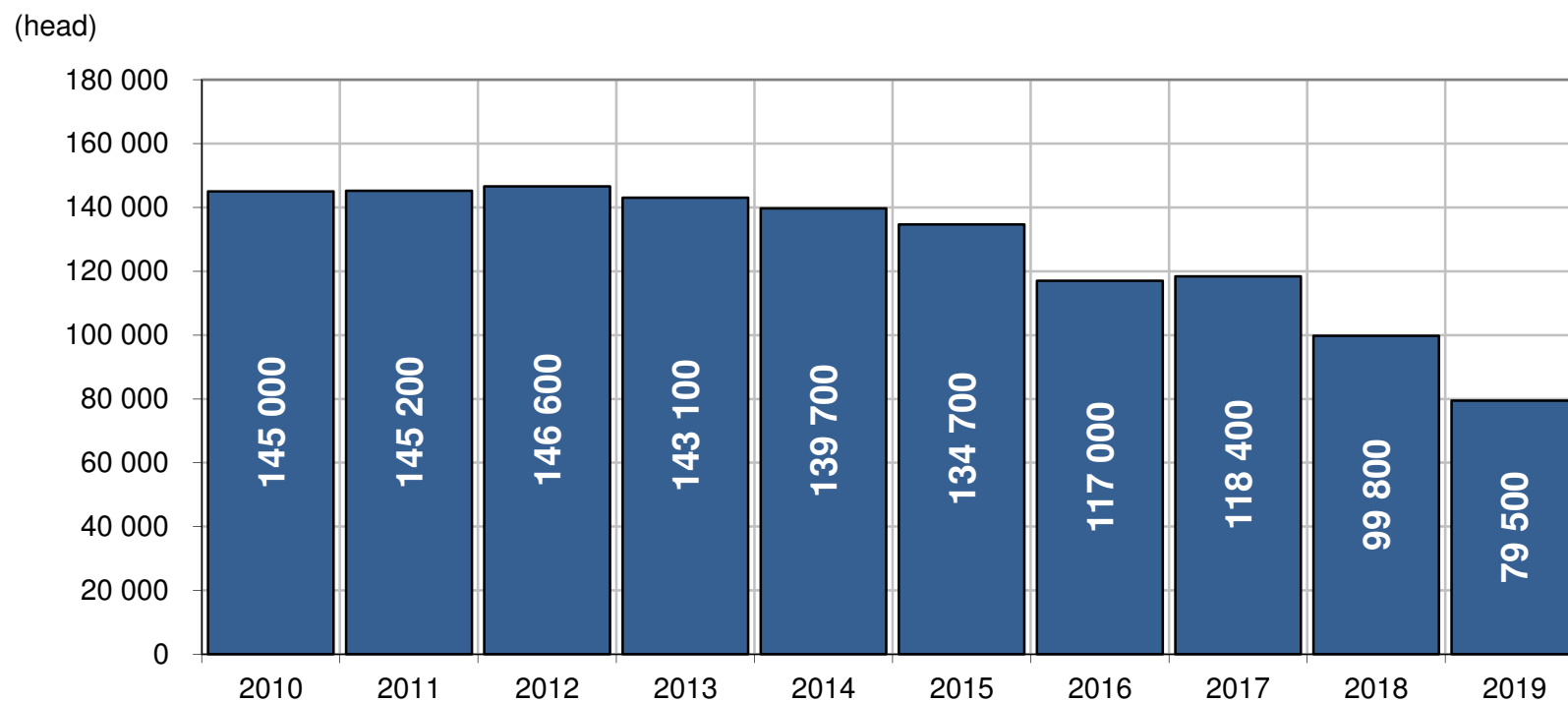


Sources :

- 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

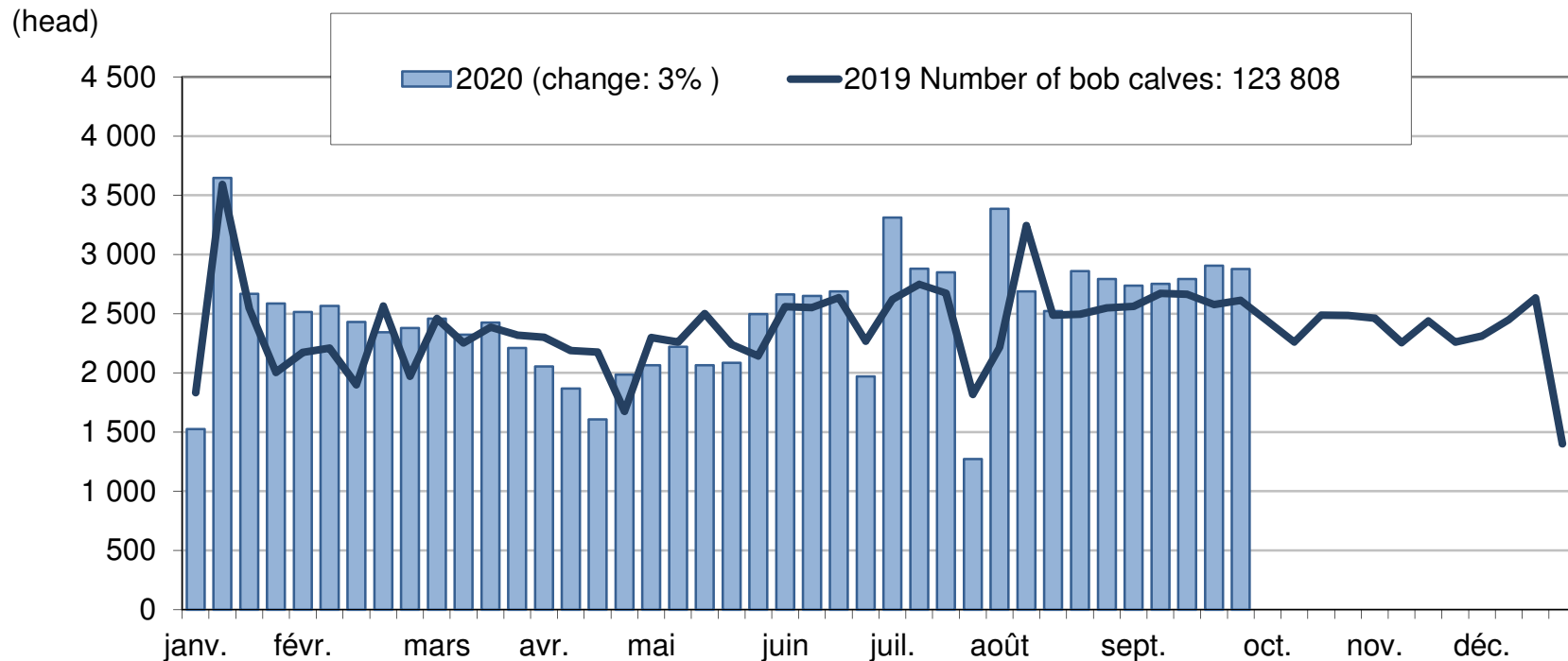


Sources :

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

Milk-fed veal

Number of calves fed in Quebec 2019-2020

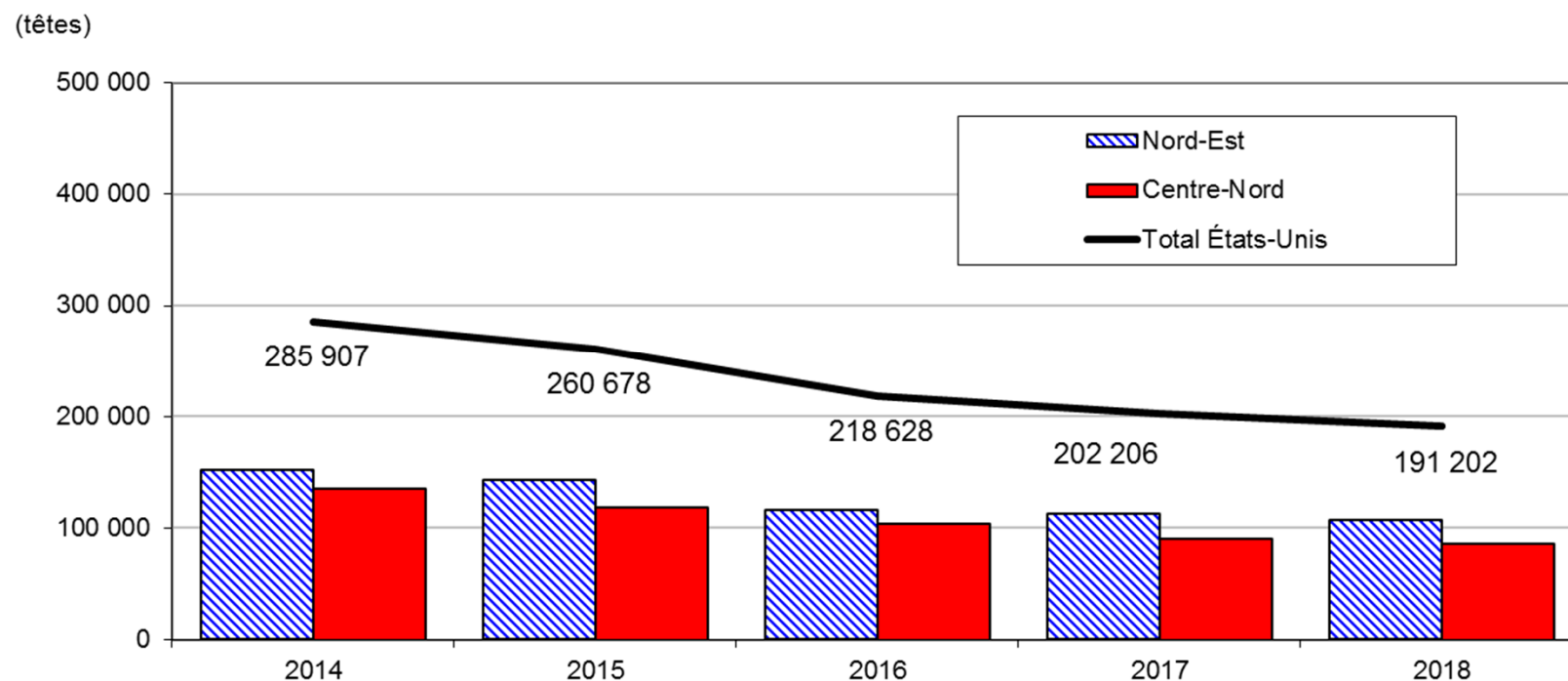


Sources :

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

Milk-fed veal

Number of calves slaughtered in United-States



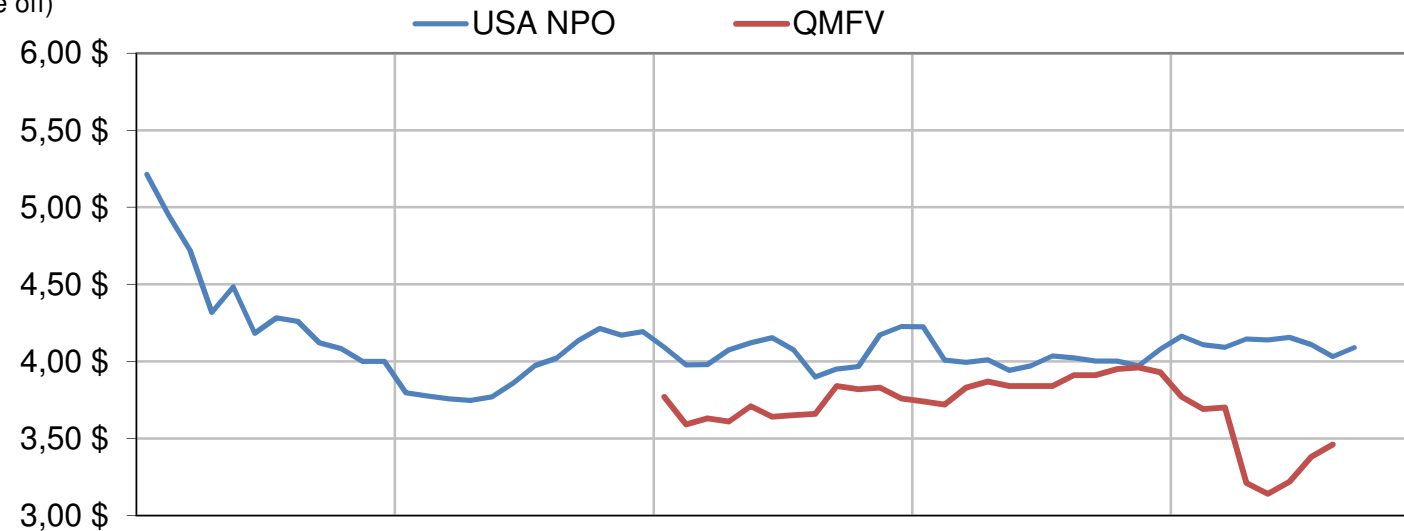
Sources :

- 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)



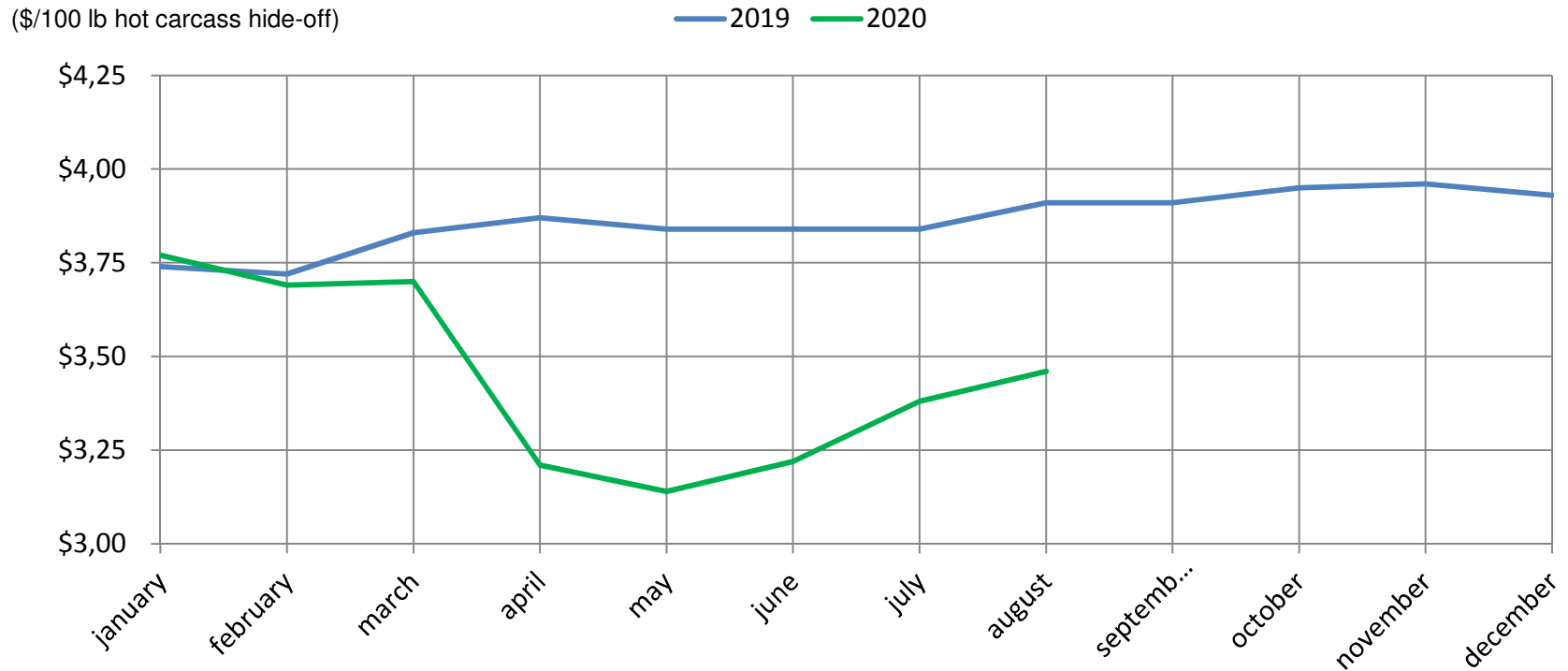
	2016	2017	2018	2019	2020
USA-NPO	4,38 \$	3,87 \$	4,02 \$	4,02 \$	4,12 \$
QMFV			3,71 \$	3,86 \$	3,45 \$

Sources :

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

Milk-fed veal

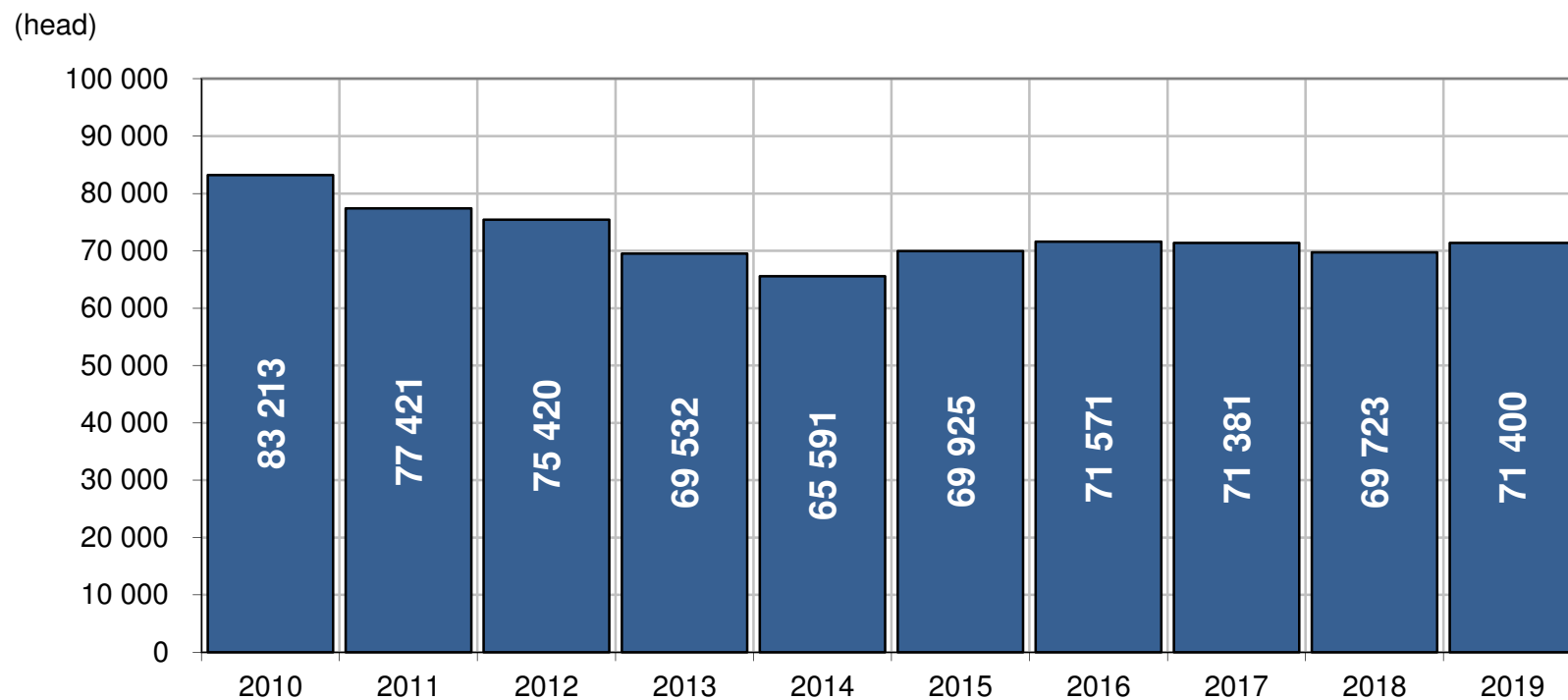
Price of milk-fed veal calves in Quebec 2019-2020



Sources :

- Net price collected by CECPA.

Grain-fed veal Number of calves fed in Quebec

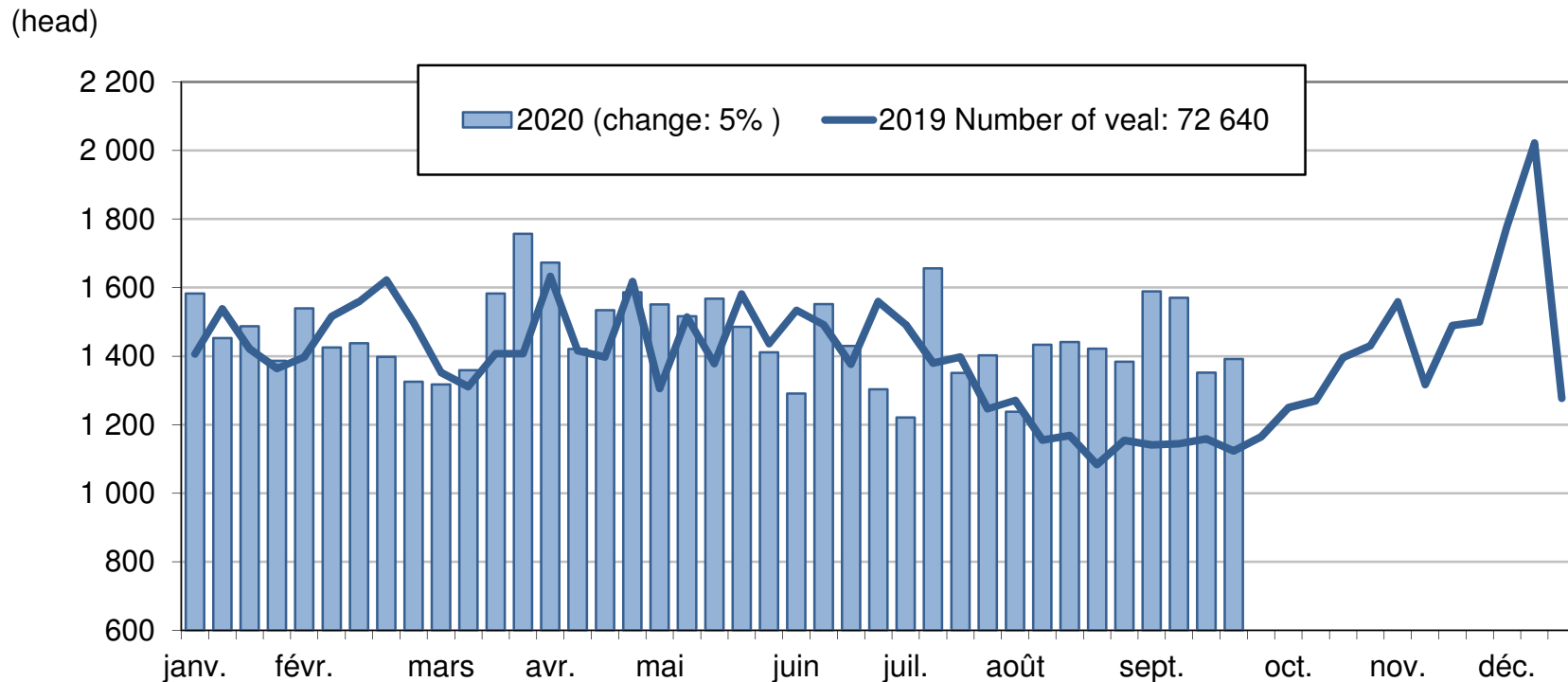


Sources :

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

Grain-fed veal

Number of calves fed in Quebec 2019-2020

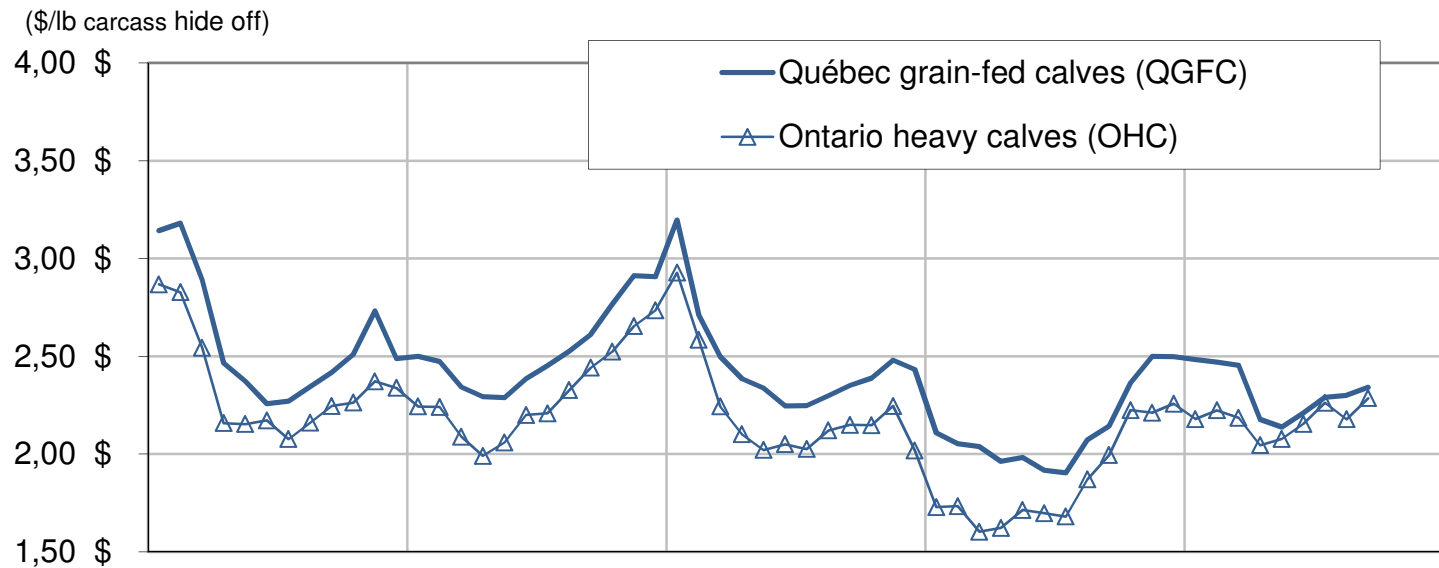


Sources :

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

Grain-fed veal

Price of grain-fed veal calves in Quebec and Ontario



	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 \$	0,14 \$

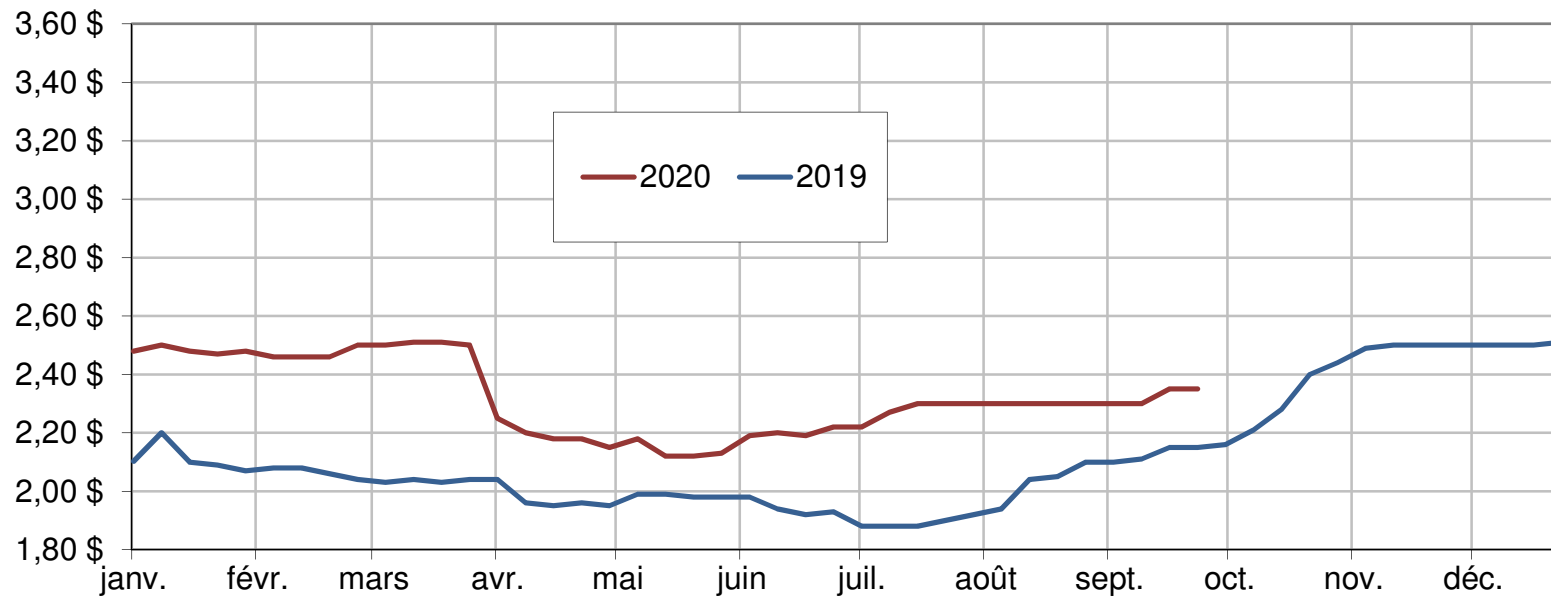
Sources :

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

Grain-fed veal

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

(\$/lb hot
carcass hide-off)



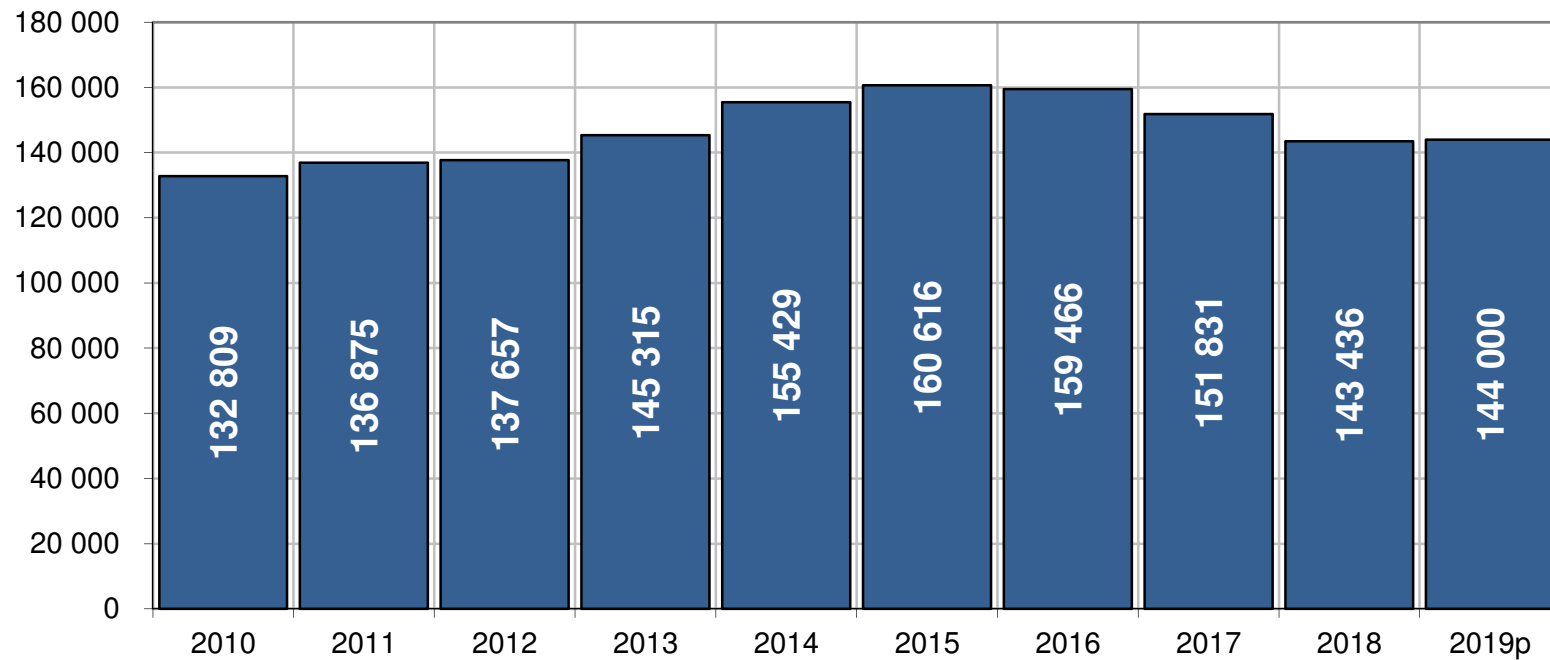
Sources :

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

Bob calves

Number of bob calves marketed in Quebec

(head)

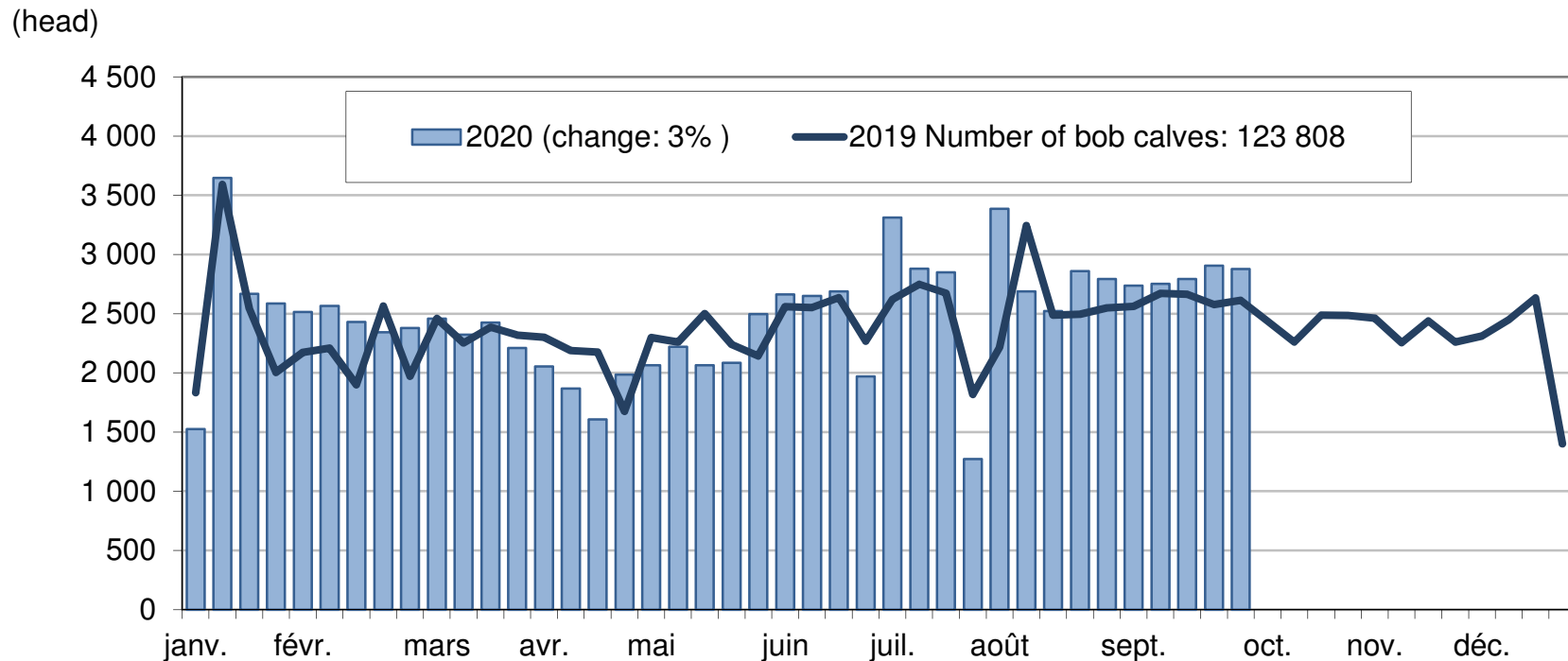


Source :

- Number of calves marketed by Quebec producers, PBQ

Bob calves

Number of bob calves marketed in Quebec 2019-2020



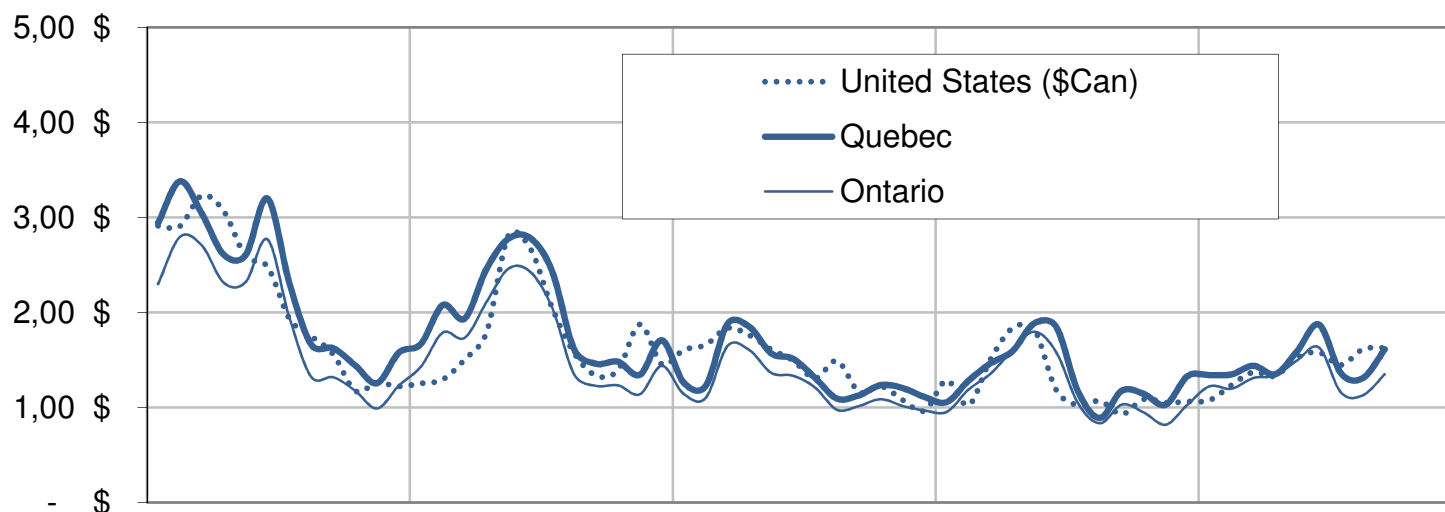
Sources :

- 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 \$	0,05 \$
Que-Ont	0,37 \$	0,28 \$	0,16 \$	0,14 \$	0,16 \$

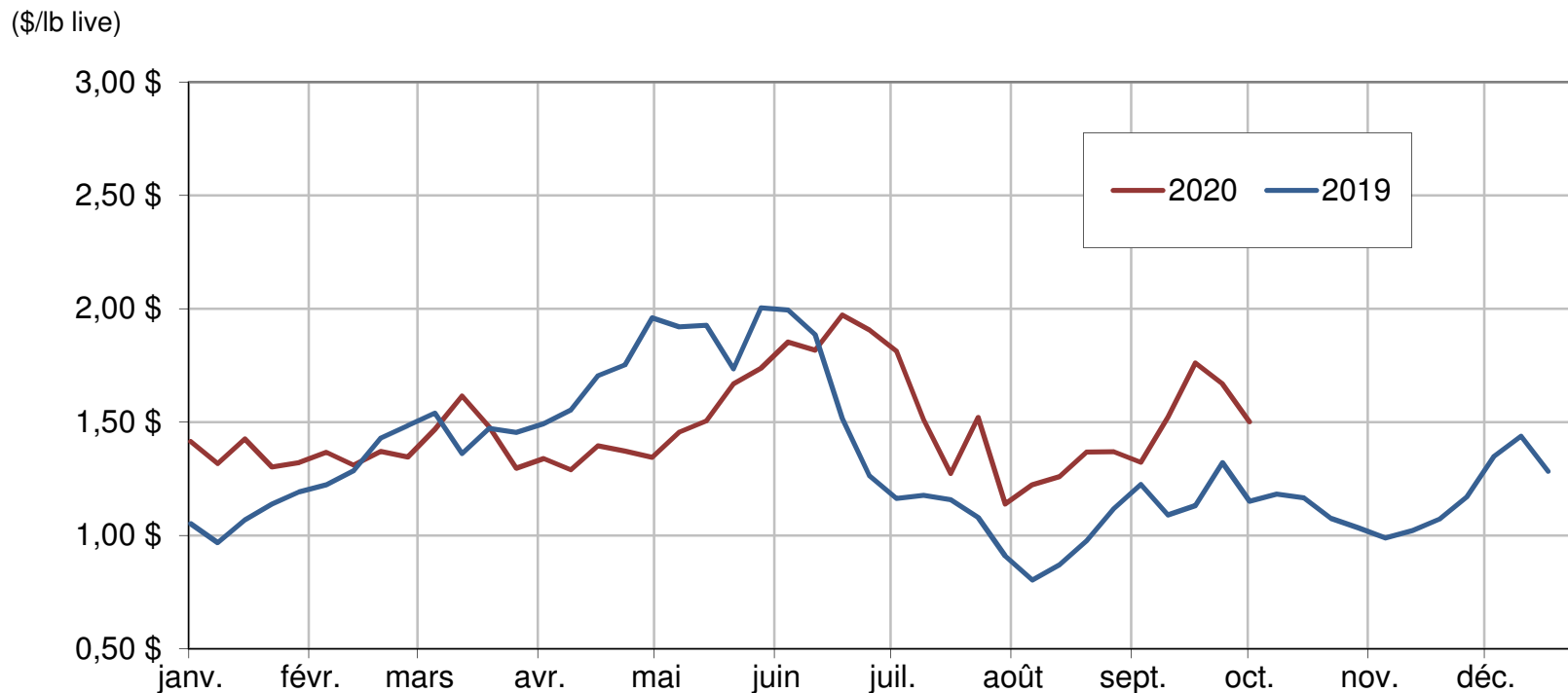
Sources :

- 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



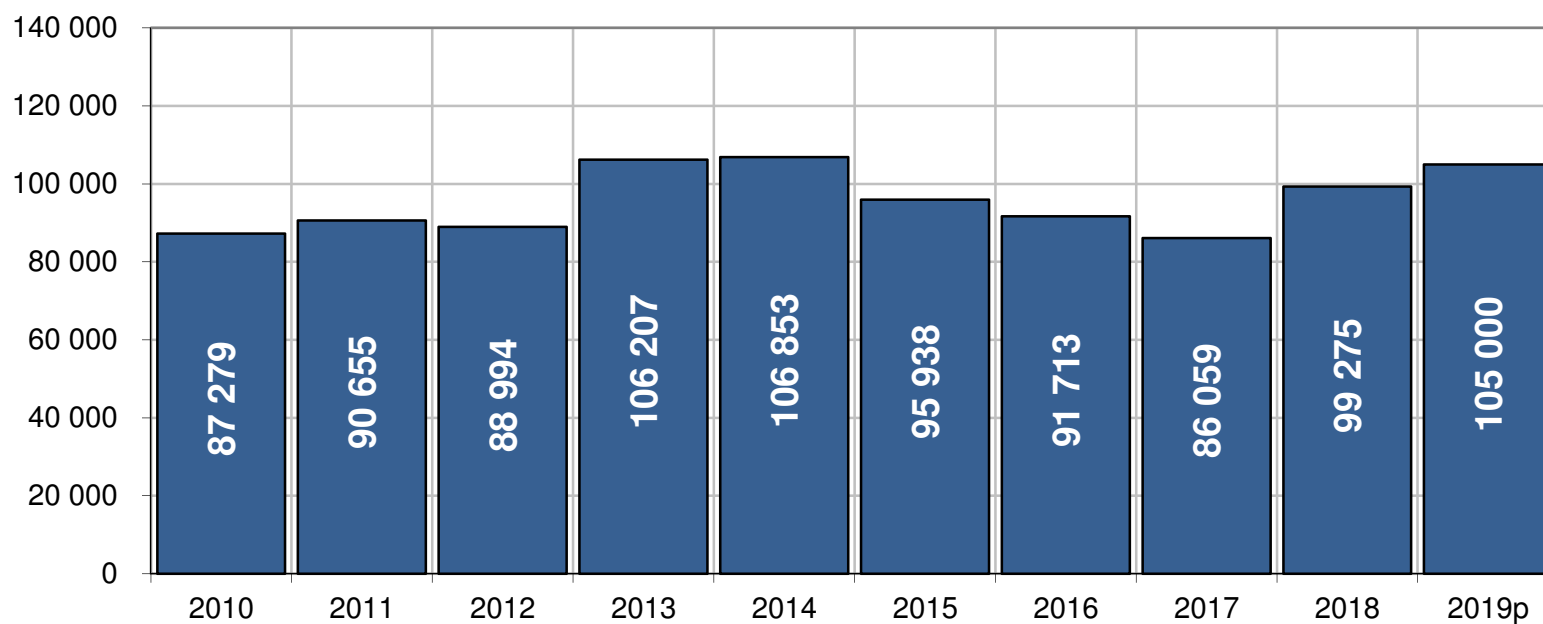
Sources :

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

Cull cattle

Number of cull cows marketed in Quebec

(head)

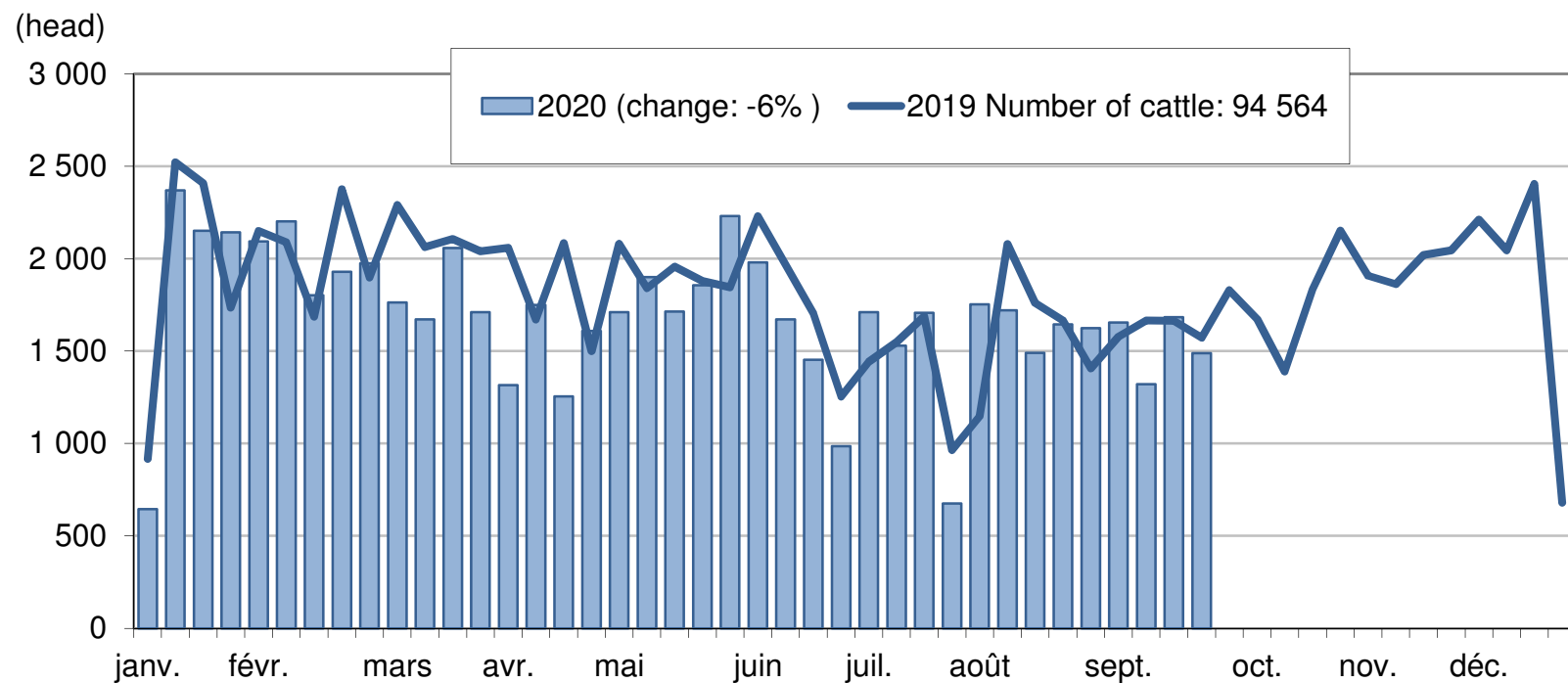


Source :

- Number of cull cows marketed by Quebec producers, PBQ

Cull cattle

Number of cull cows marketed in Quebec 2019-2020

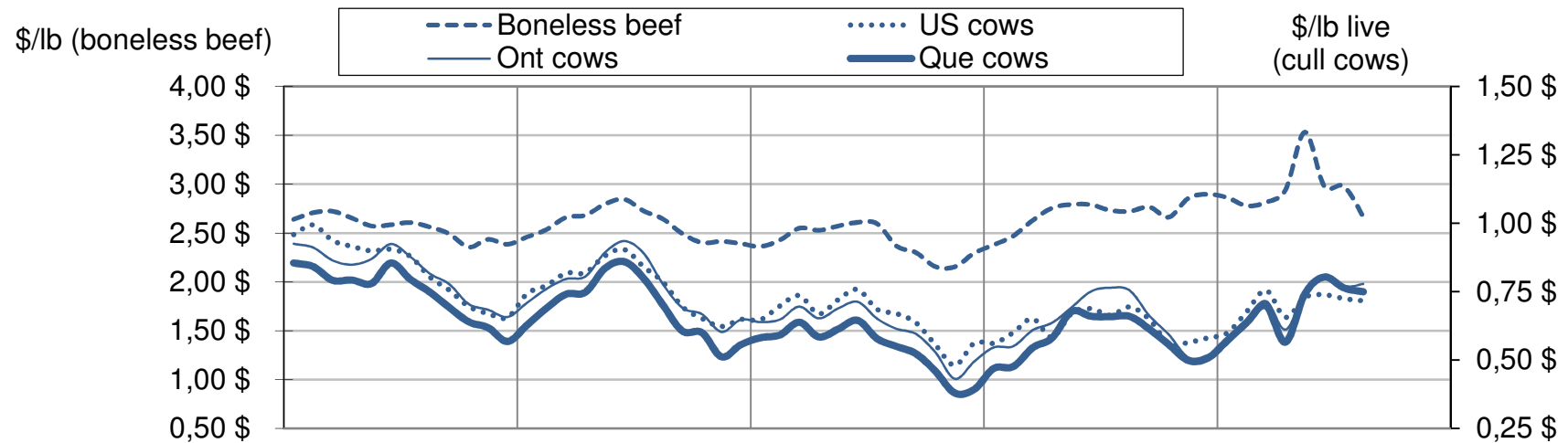


Source :

- 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

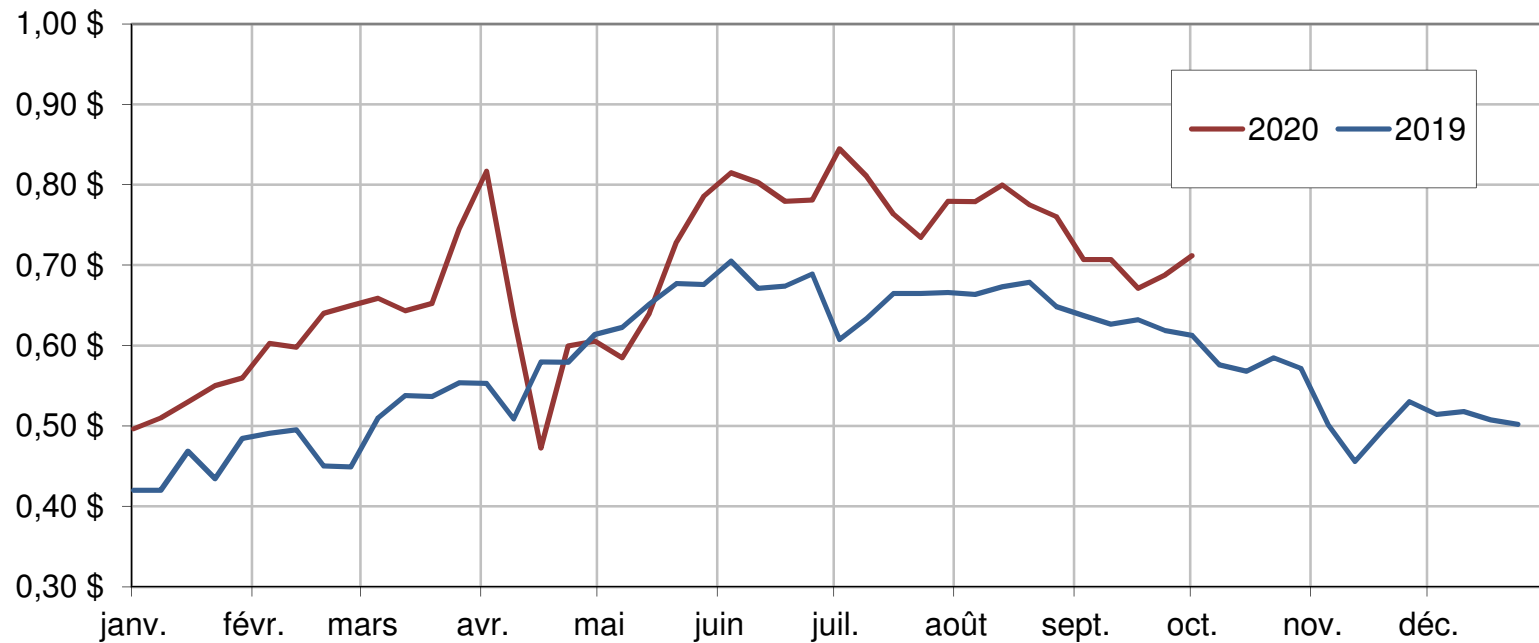
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Cull cattle

Price of cull cows in Quebec 2019-2020

(\$/lb live)

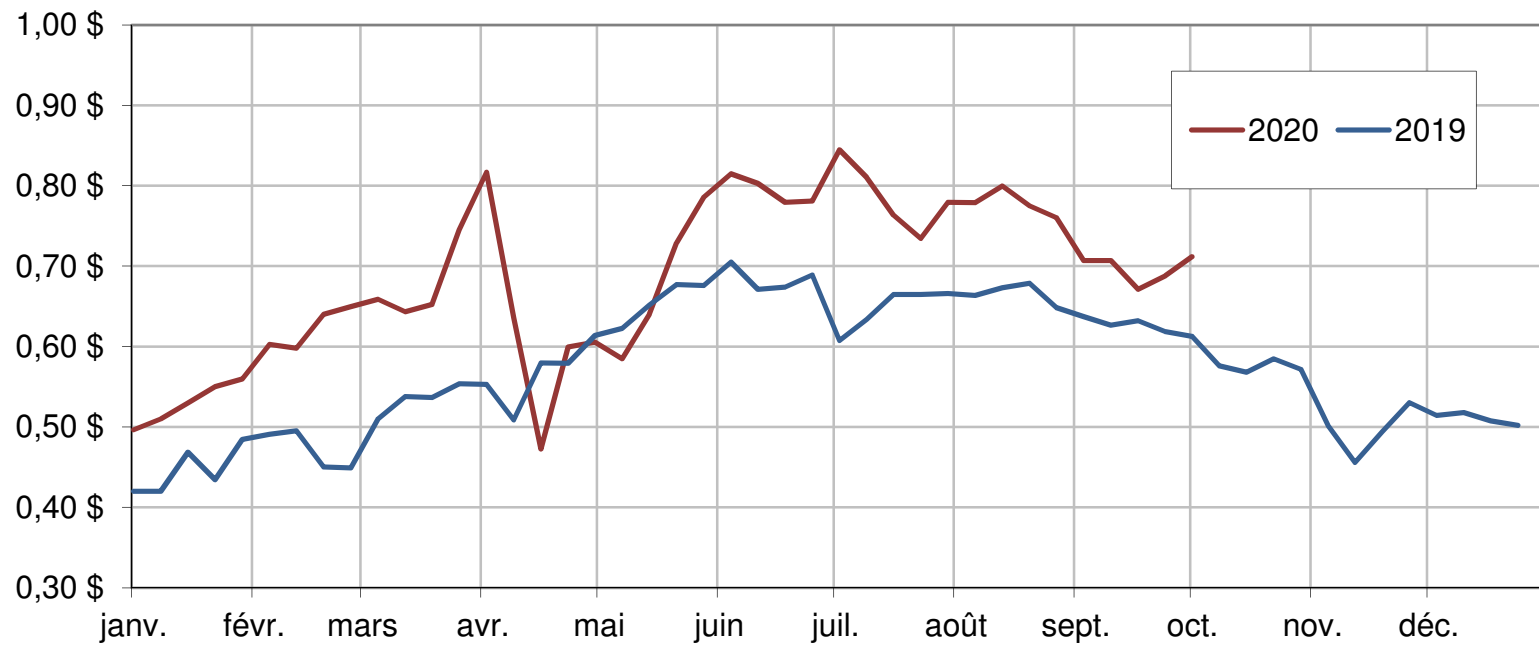


Sources :

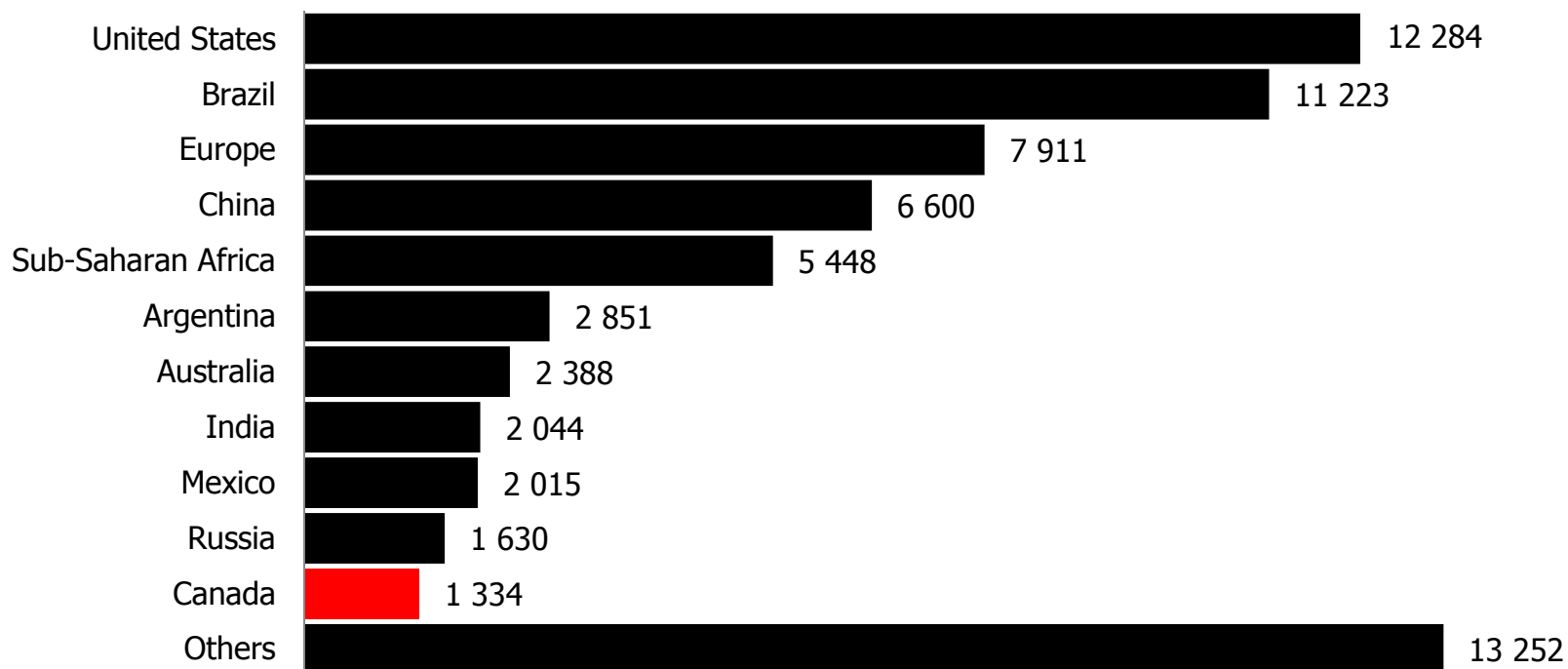
- Quebec : Price of cull cows marketed in Quebec auctions, PBQ

Exchange rate \$ CAN / \$ US

(\$/lb vif)



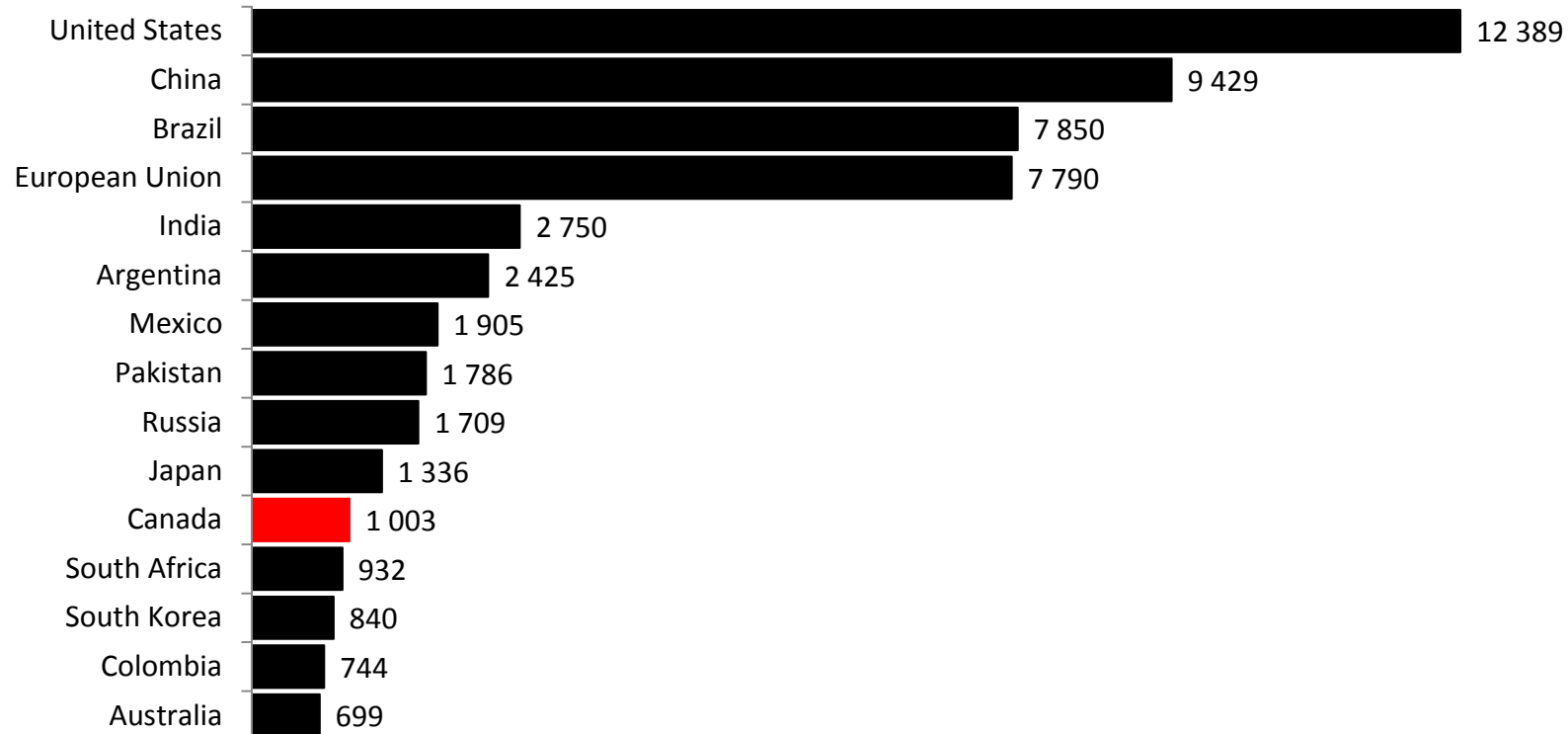
Beef and veal net production (1000 t, cwe) - 2019



Source :

- GIRA

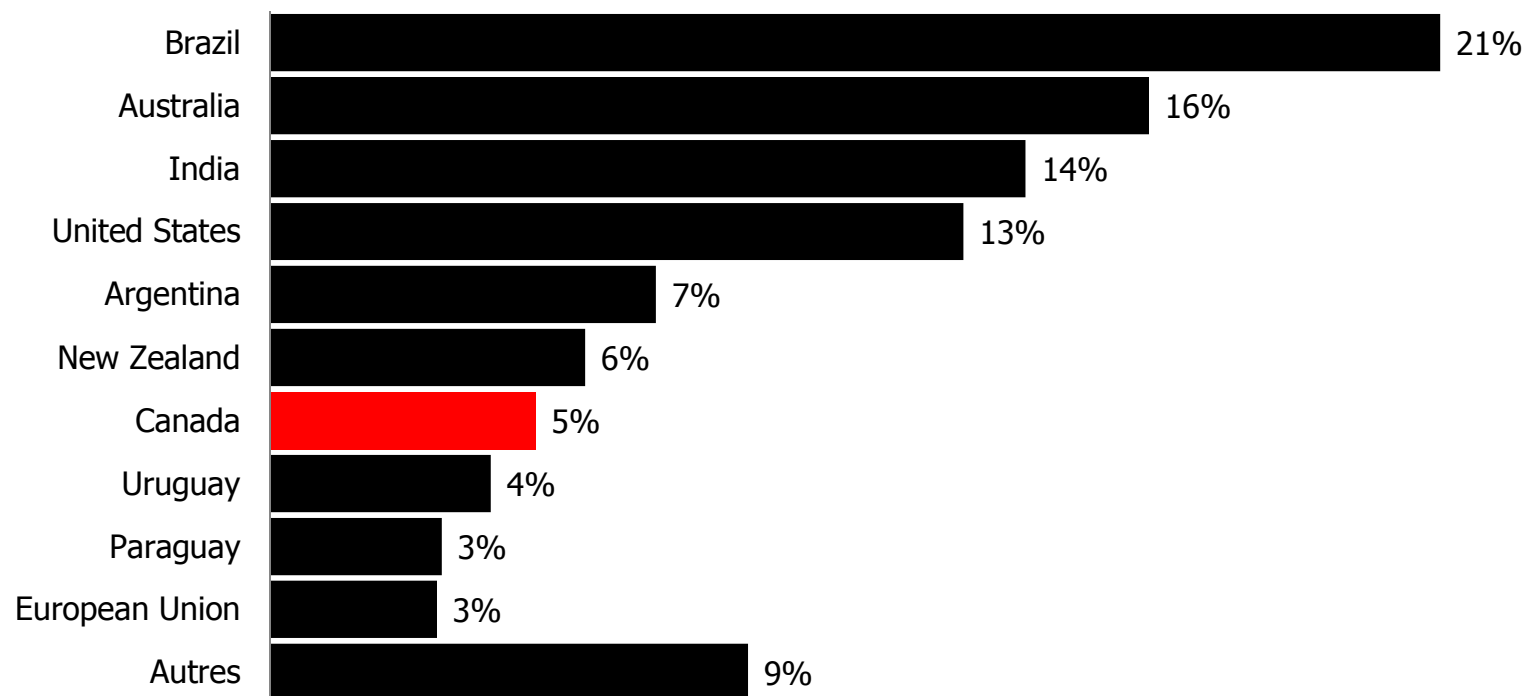
Beef and veal meat consumption by countries (1000 t, cwe) - 2019



Source :

- GIRA

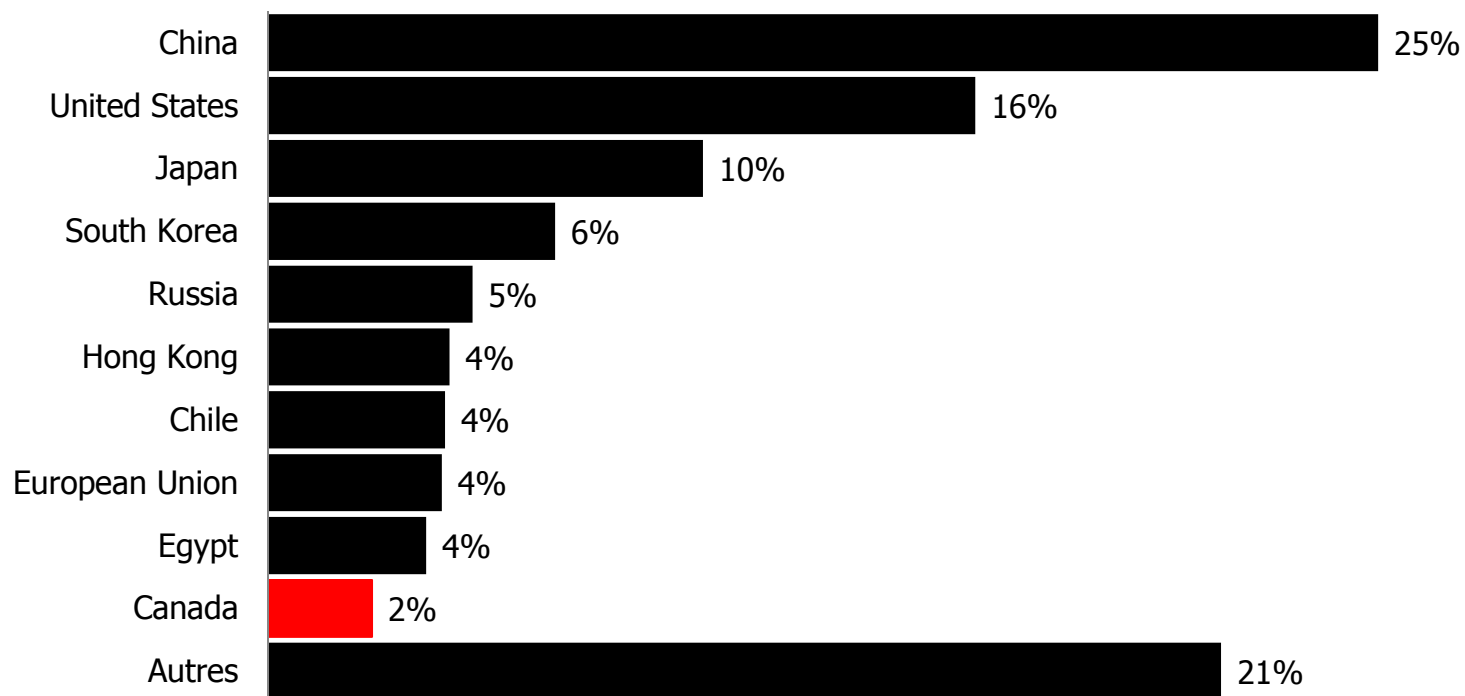
World top beef exporters (% world) - 2019



Source :

- GIRA

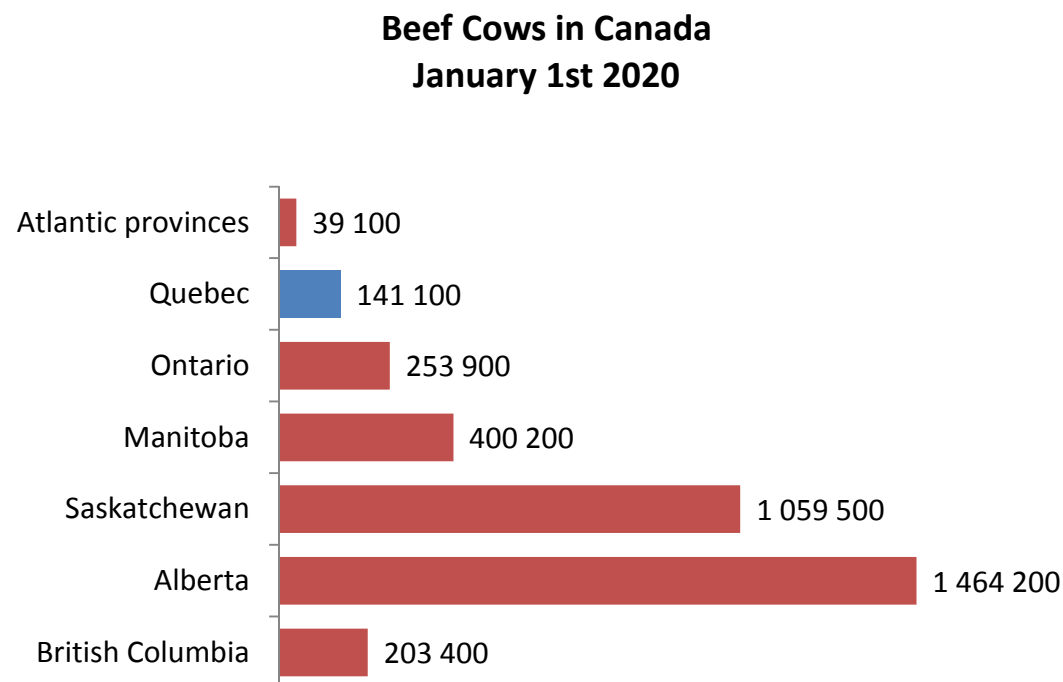
World top beef importers (% world) - 2019



Source :

- GIRA

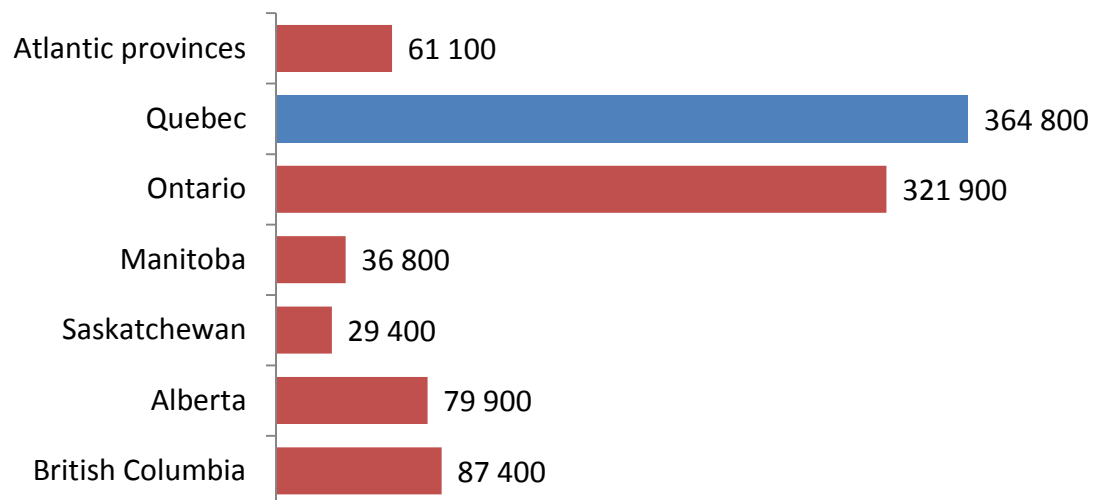
Beef-Cow inventory in Canada 2020



Source :
• Statistique Canada

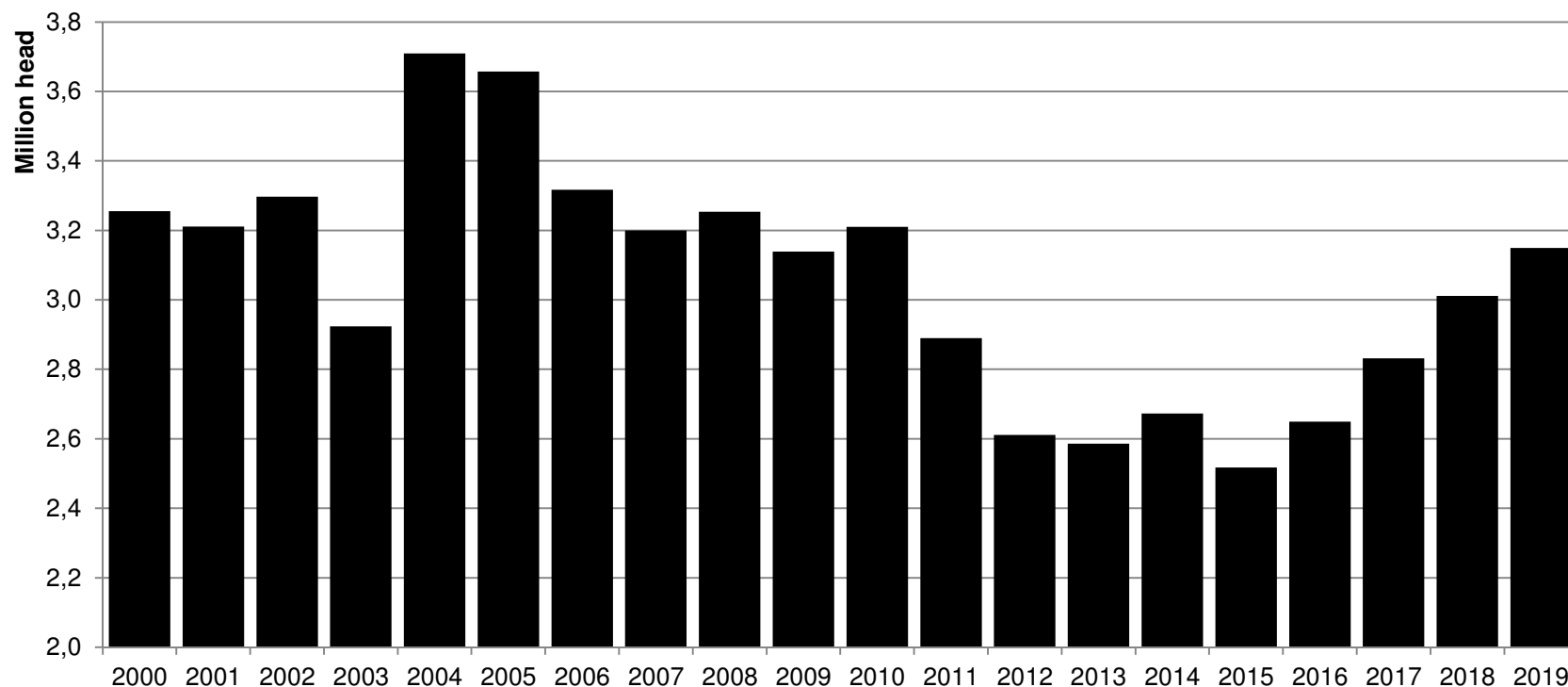
Beef-Cow inventory in Canada 2019

**Milk Cows in Canada
January 1st 2020**



Source :
• Statistics Canada

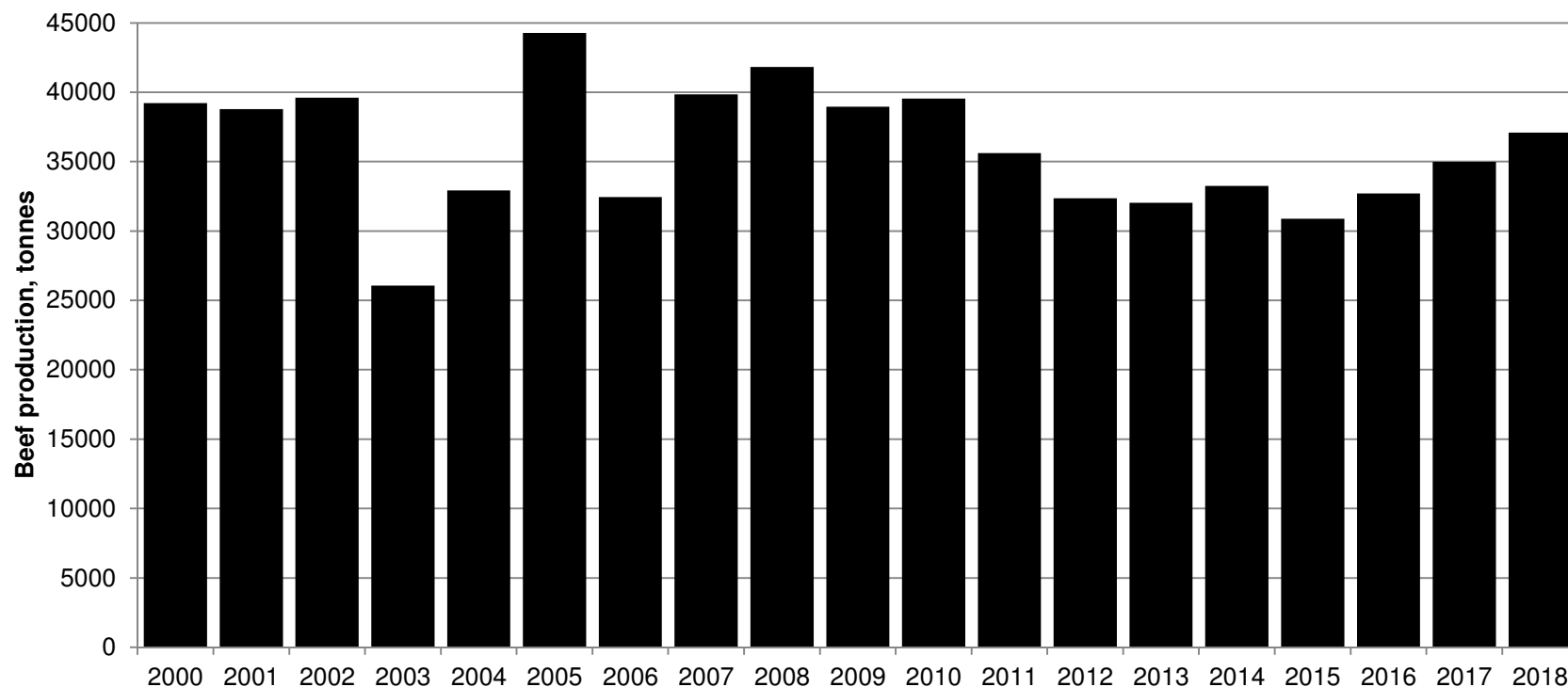
Number of cattle Slaughtered in Federally Inspected Plants



Sources :

- Canadian Beef Grading Agency, AAFC

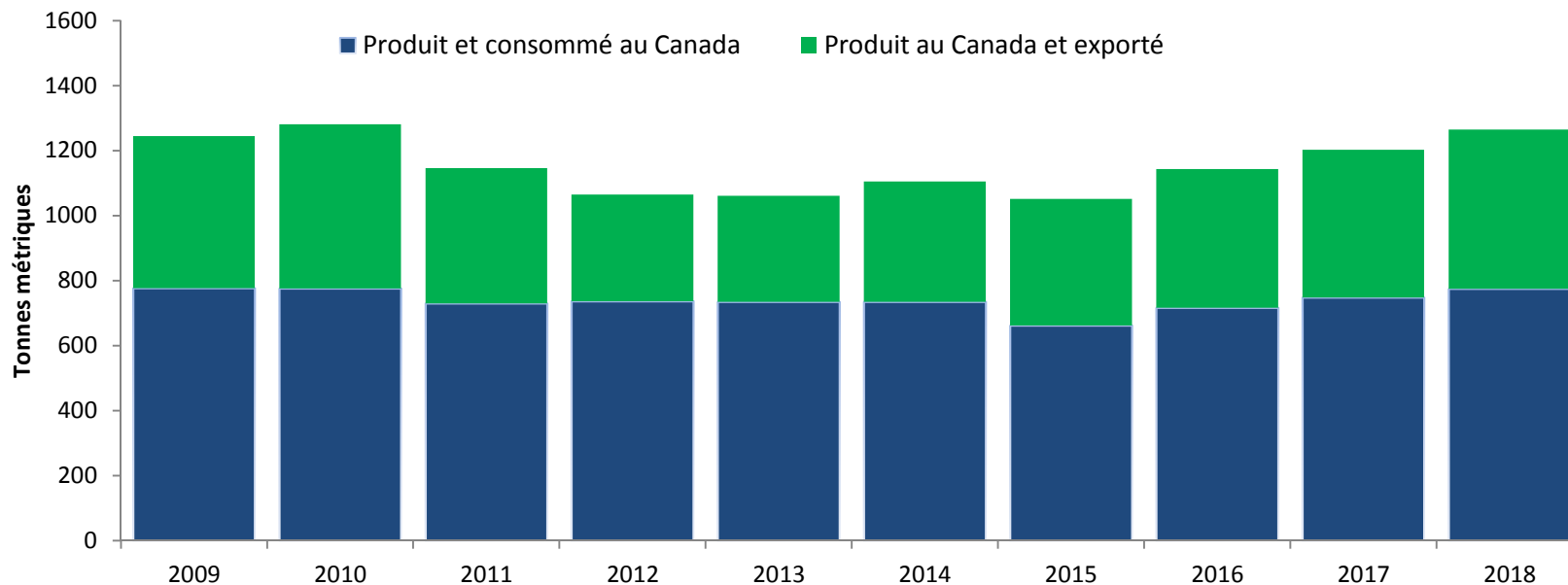
Canadian beef and veal production



Sources :

- Statistics Canada (Edible offal, meat production)

% Canadian beef and veal production exported

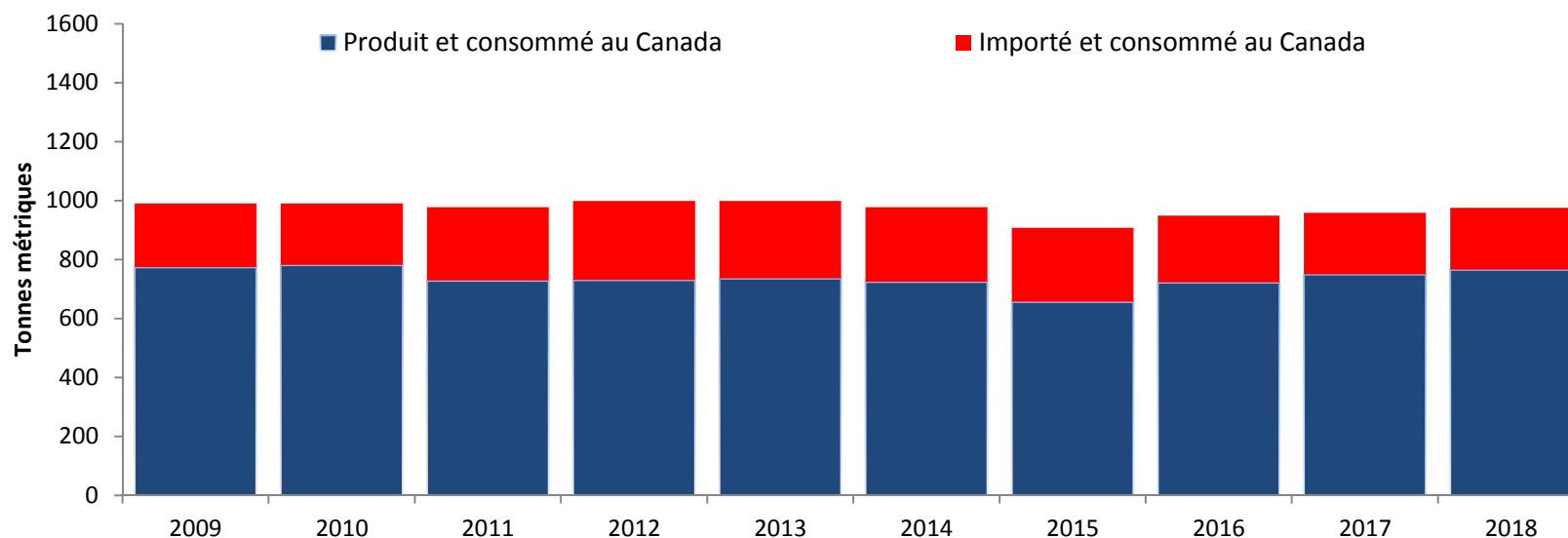


% exporté / produit	38%	39%	36%	31%	31%	33%	37%	37%	38%	39%
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Sources :

- Statistics Canada

% Canadian beef and veal consumption imported



% Importé / consommé	22%	21%	25%	27%	26%	26%	28%	24%	22%	22%
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Sources :

- Statistics Canada

Beef and veal meat exports from Canada

Beef and veal meat exports (tonnes)	Jan. 1 - August 31		
	2020	2019	% chg
United States	202 089	211 611	-4%
Japan	29 454	32 450	-9%
Hong Kong	8 587	9 033	-5%
Mexico	7 722	10 539	-27%
China	5 690	11 475	-50%
South Korea	3 604	3 559	1%
Vietnam	2 717	622	337%
Angola	1 696	1 874	-9%
Peru	1 245	1 354	-8%
Others	6 924	9 813	-29%
Total	269 728	292 330	-8%

Sources :

- Statistics Canada, AACF

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Beef and veal imports to Canada

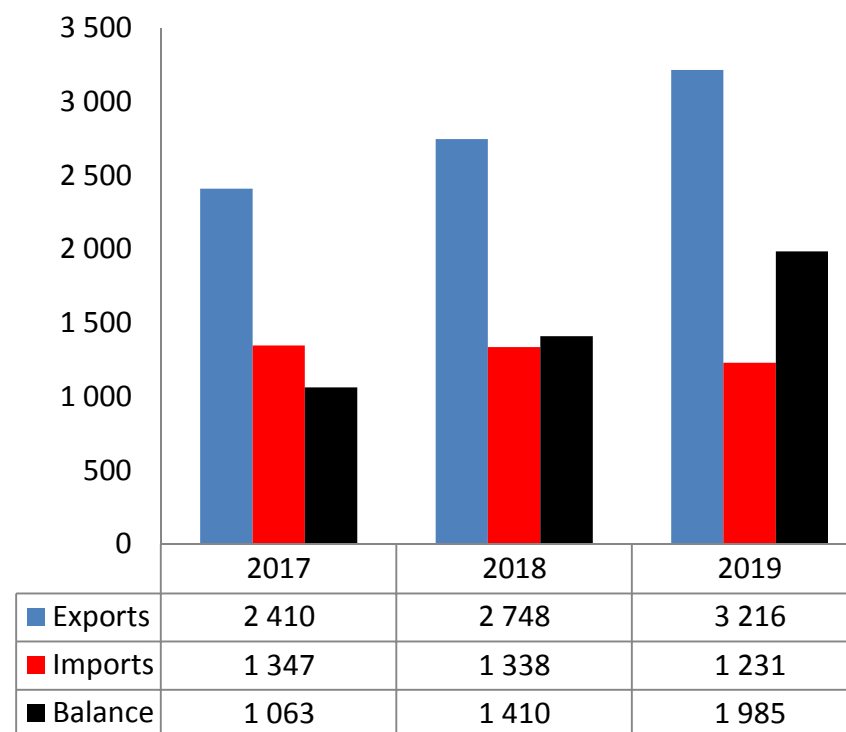
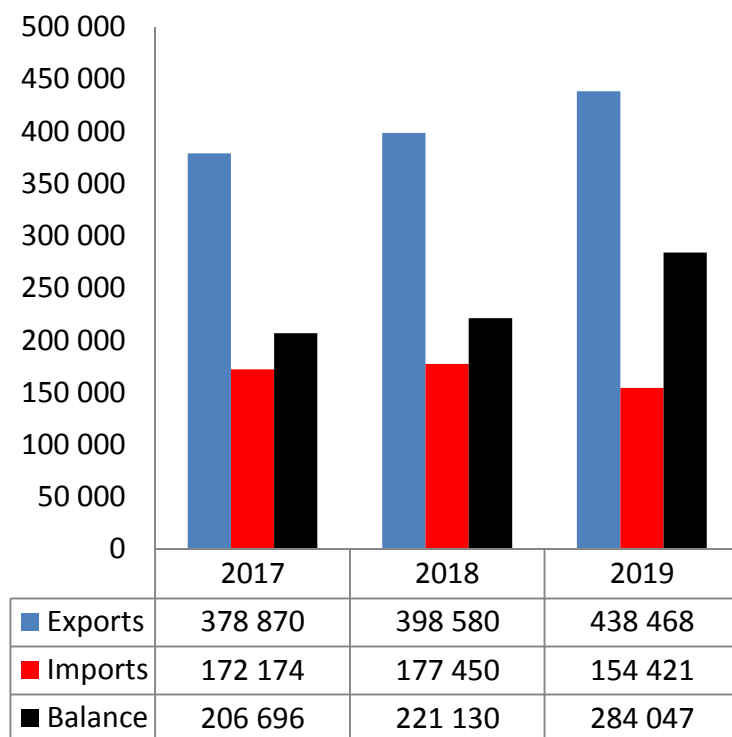
Beef and veal meat imports (tonnes)	Jan. 1 - October 10		
	2020	2019	% chg
United States	89 596	84 773	6%
New Zealand	14 368	10 256	40%
Uruguay	11 496	7 067	63%
Australia	11 299	12 091	-7%
Mexico	6 534	4 476	46%
United Kingdom	4 089	1 933	112%
Others	15 159	5 169	193%
Total	152 541	125 765	21%

Sources :

- Statistics Canada, AACF

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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 - August 31		
	2020	2019	% chg
United States	1 383	1 816	-24%
Émirats Arabes Unis	58	141	-59%
Saint-Pierre et Miquelon	5	7	-23%
Autres	1	7	
Total	1 447	1 971	-27%

Sources :

- Statistics Canada, AACF

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Veal imports to Canada

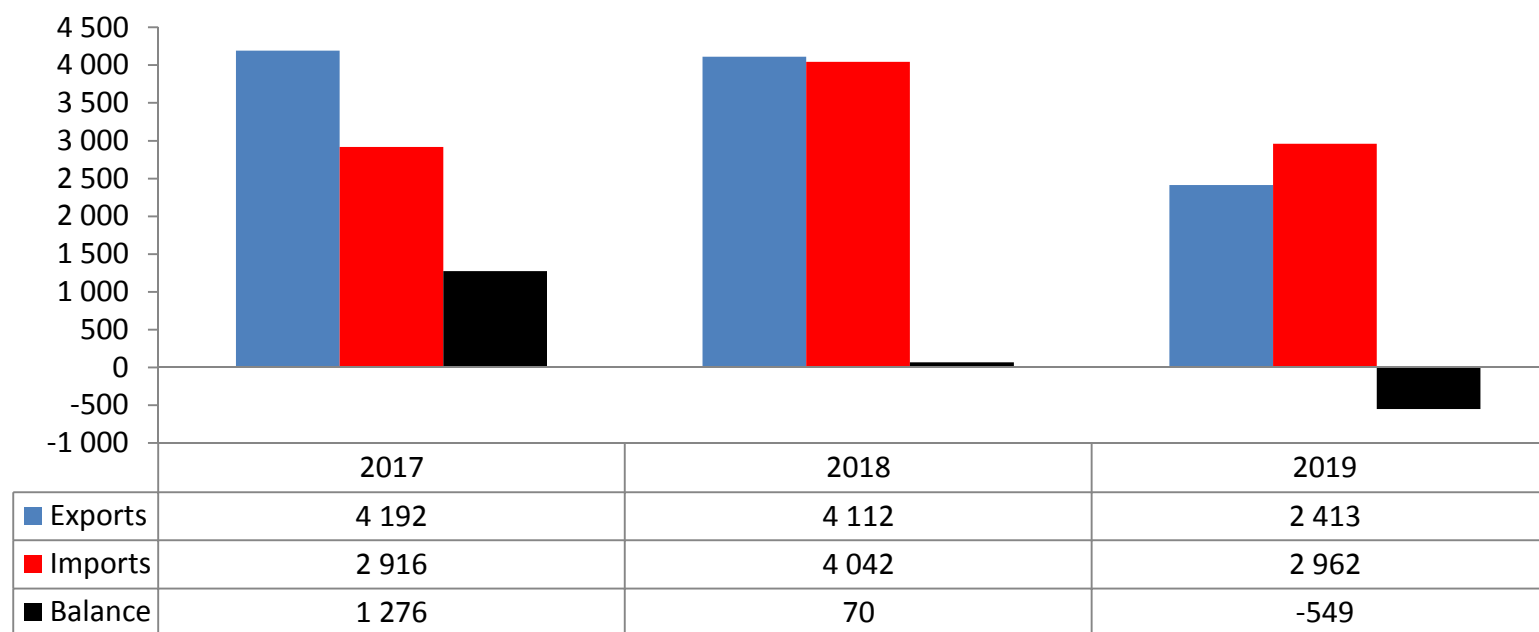
Veal imports (tonnes)	Jan. 1 - Oct. 10		
	2020	2019	% chg
United States	682	1 139	-40%
New Zeland	1 218	442	-
Australia	105	217	-52%
European Union - 27			
Netherland	191	258	-26%
Others	120	12	
Total	2 316	2 068	12%

Sources :

- Statistics Canada, AACF

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

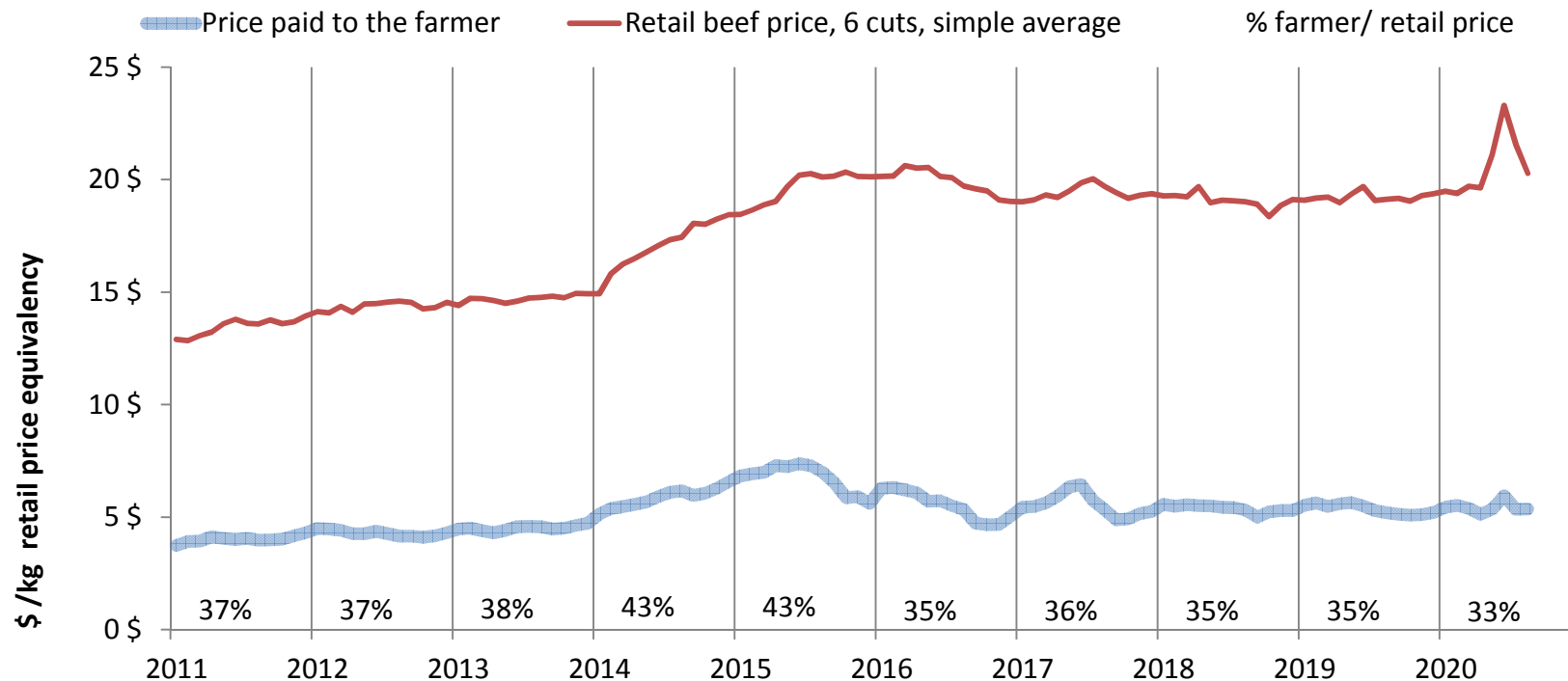
tonnes



Sources :

- Statistics Canada, AACF

Beef price cuts vs price paid to the producer

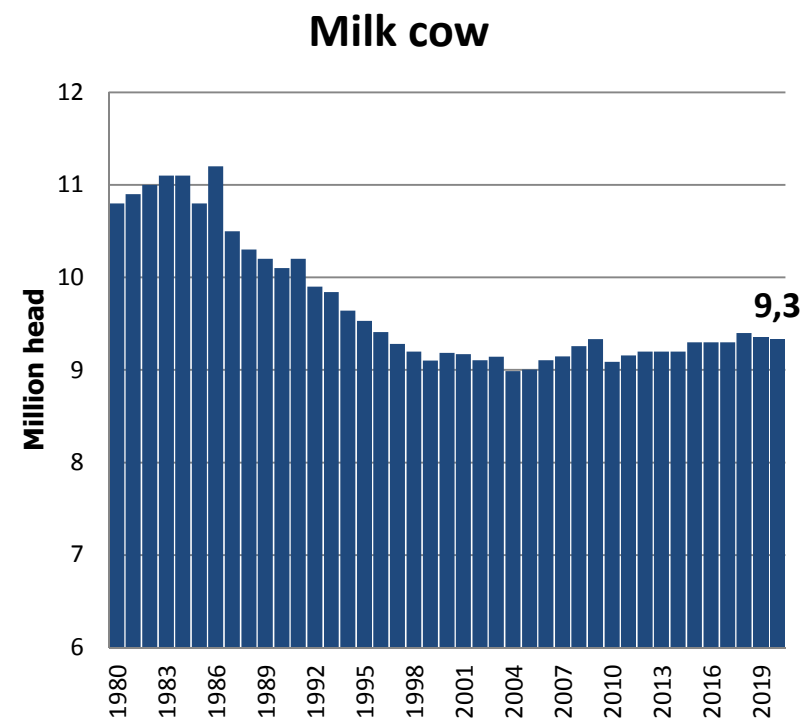
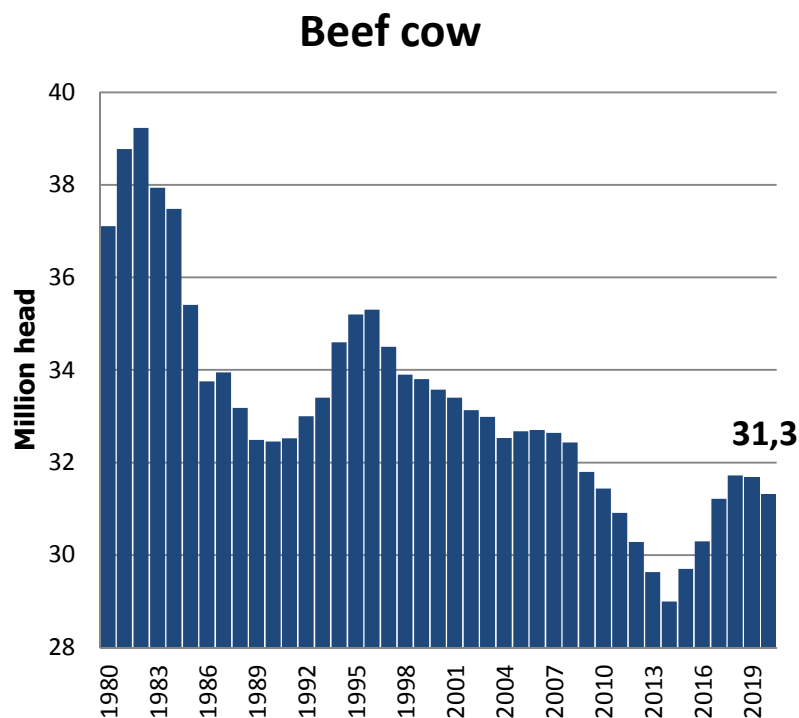


Sources :

- 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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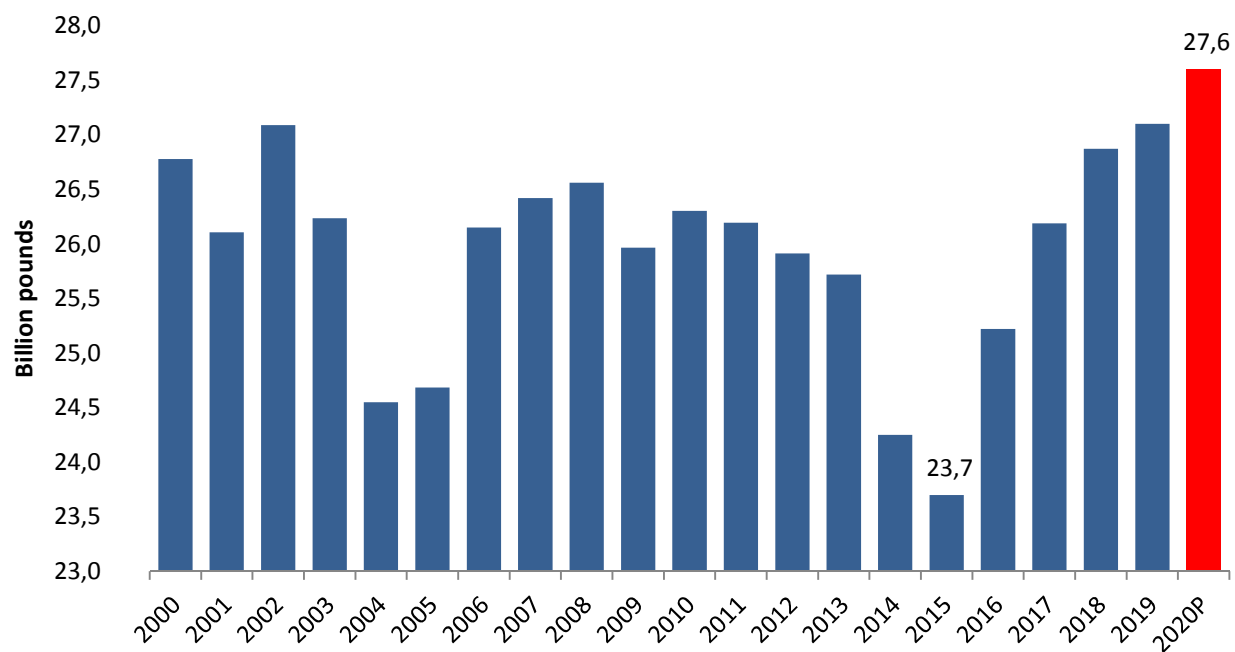
Beef cow and milk cow inventory in United-States



Source :

- USDA

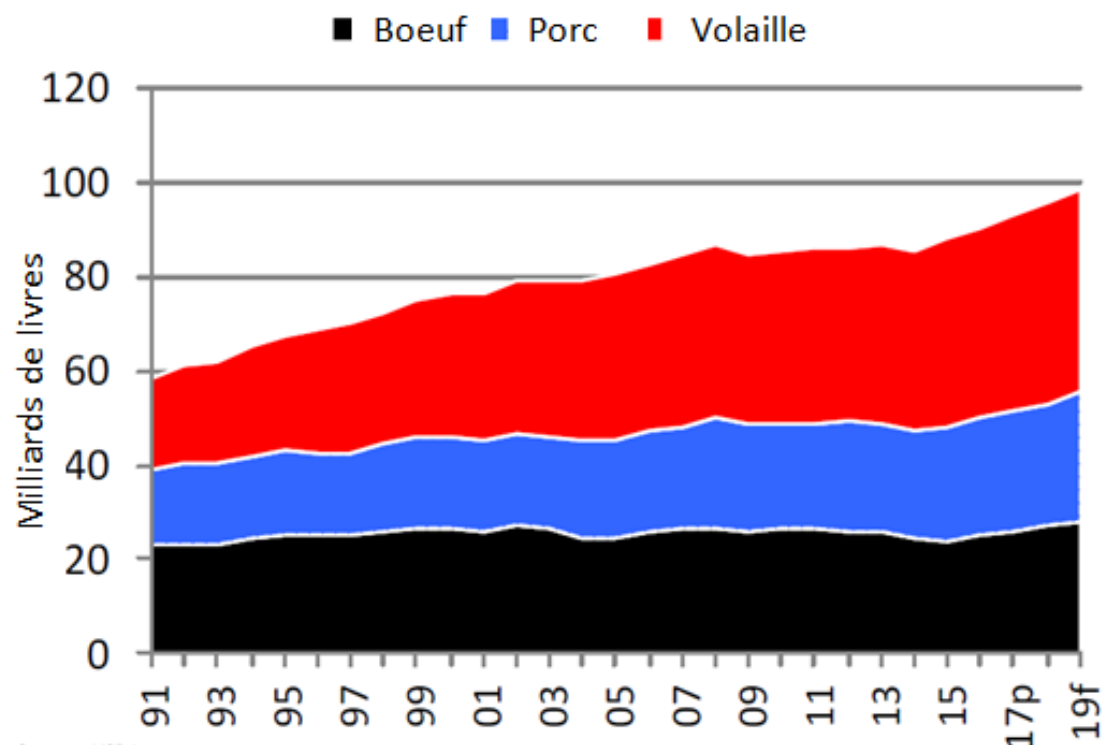
Beef production in United-States



Sources :

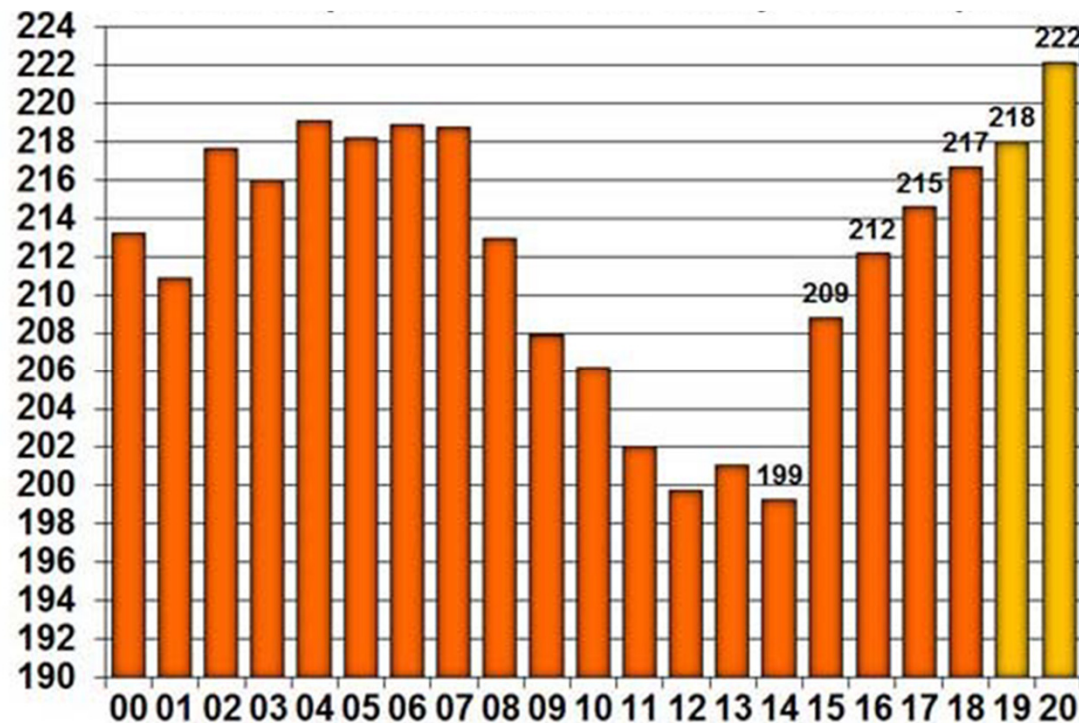
- USDA et CattleFax

Beef – pork –poultry production in United-States



Sources :
• USDA

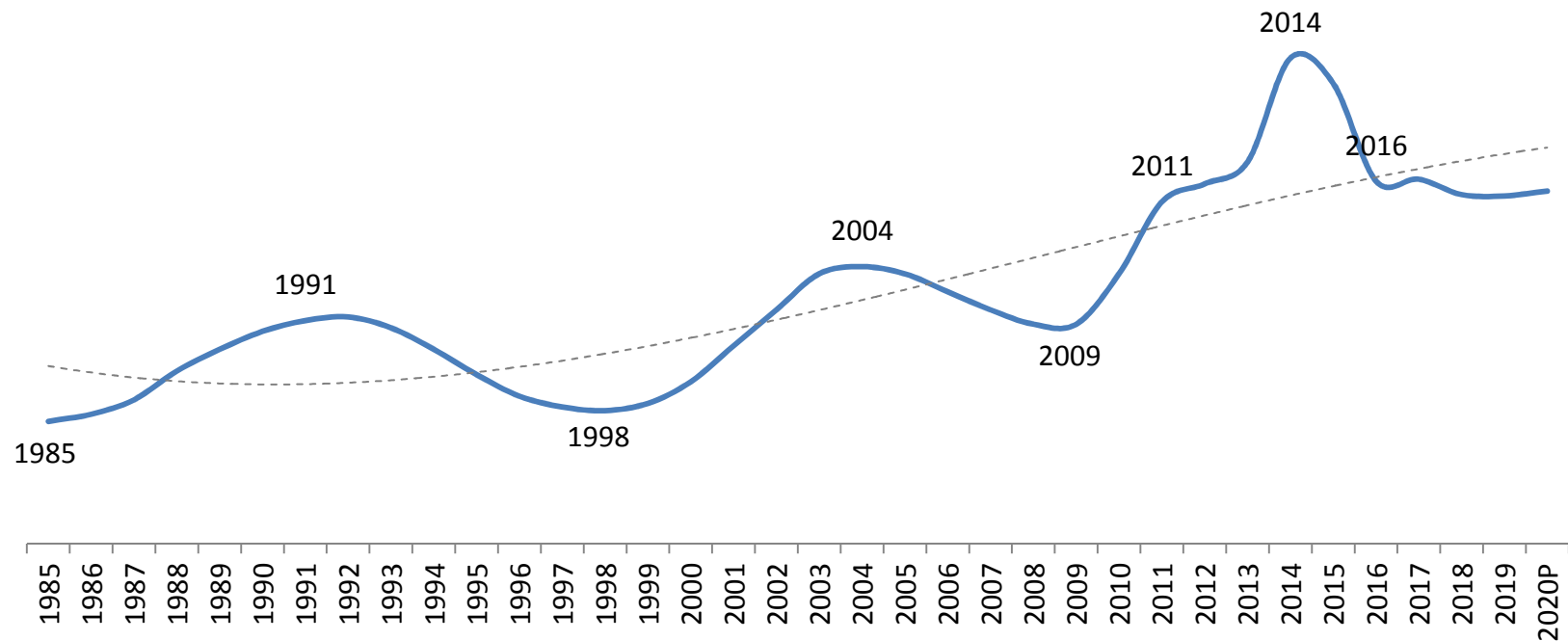
Beef – pork – poultry Consumption per capita in United-States (lb)



Sources :

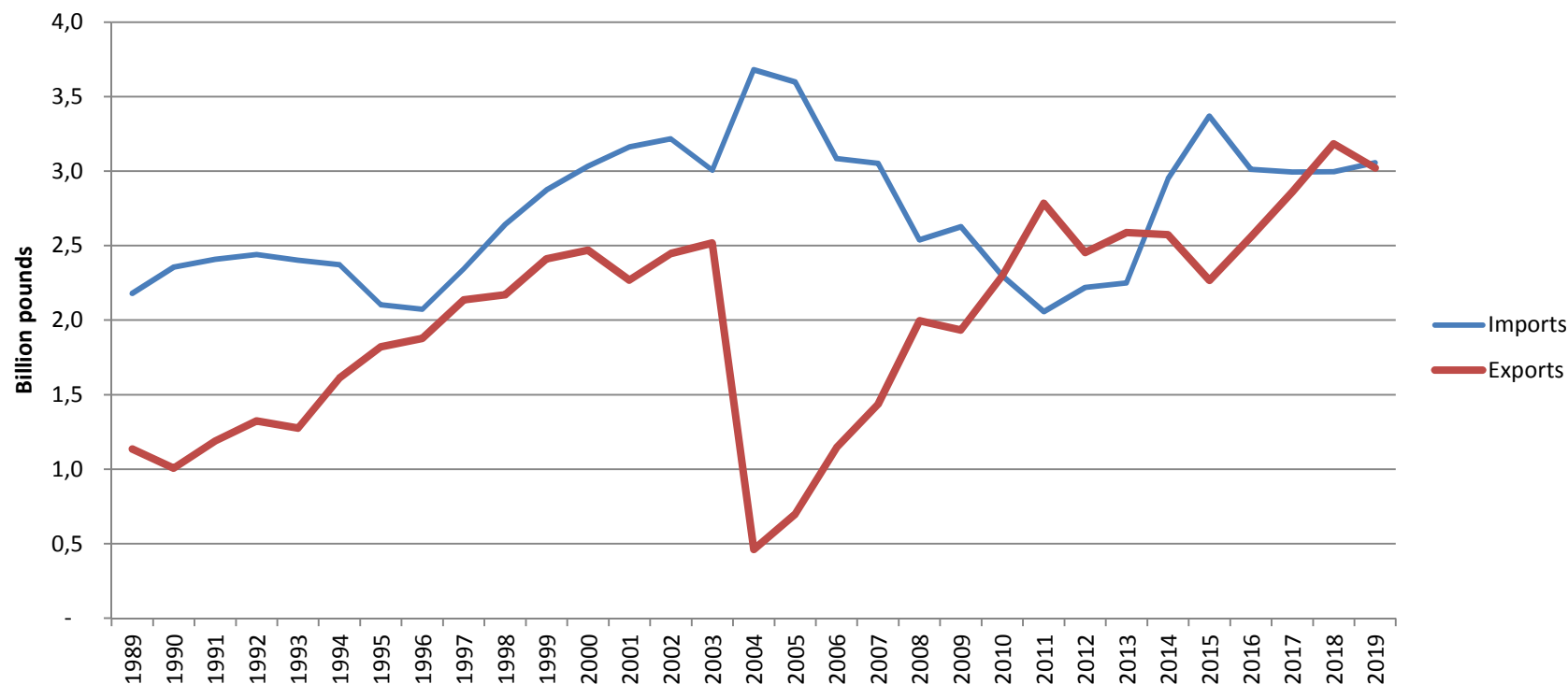
- USDA, CattleFax

Cattle price cycle in United-States



Sources :
• CattleFax

Beef imports and exports in United-States



Sources :

- USDA et Cattlefax

Long term outlook

- 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.
-

Short term outlook

- Slaughter capacity is increasing but there are still cattle backlogged (especially in Western Canada).
 - Carcass weights remain extremely high, further increasing beef production.
 - Already weakened by the pandemic, food services are subject to new restrictions due to the increase in COVID-19 cases.
 - The futures market remains relatively optimistic for this fall.
-

Source : Canfax, CattleFax, Canadian Boxed Beef Report

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PRODUCTEURS DE BOVINS DU QUÉBEC

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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