

A GLANCE AT BEEF AND VEAL MARKET

June 2023

Les Producteurs
de bovins du
Québec



A GLANCE AT BEEF AND VEAL MARKETS

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June 2023

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Québec



Slaughter volume (head) in 2023

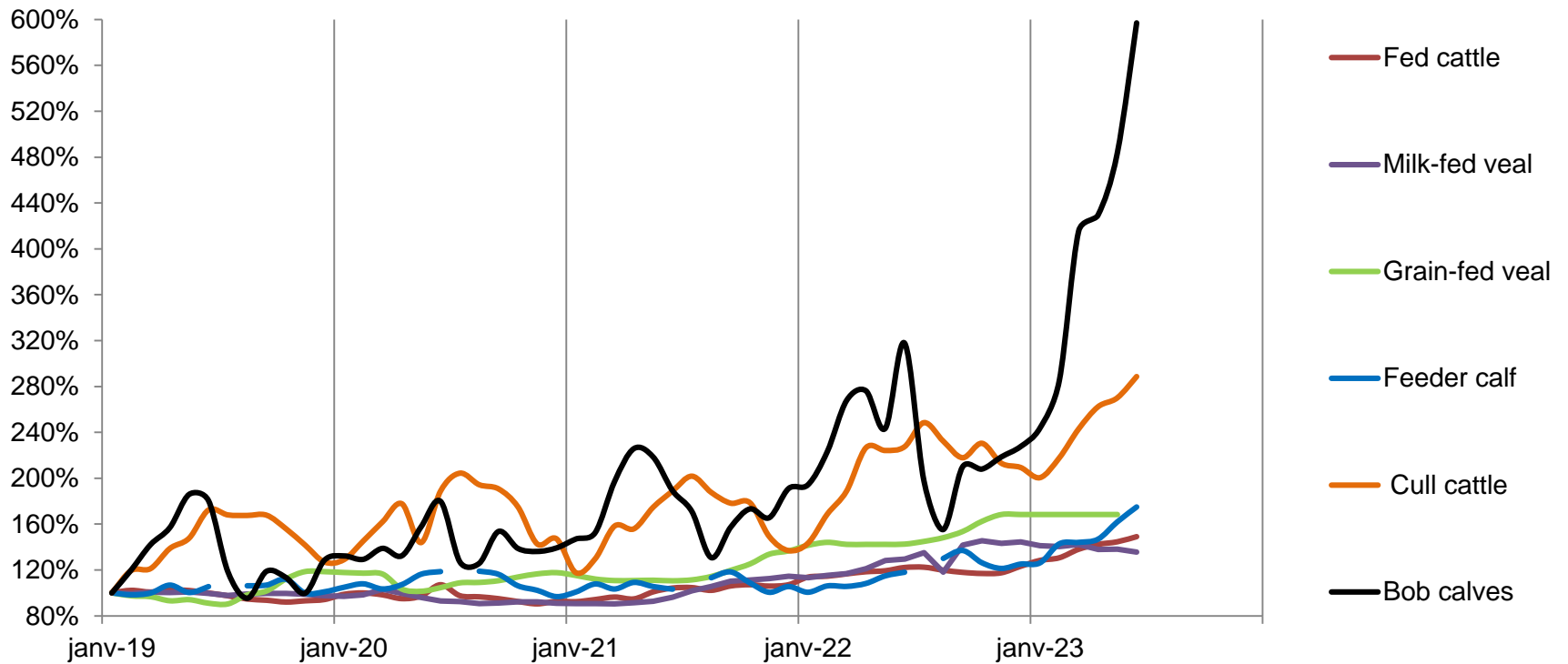
		Canada			United-States
		West	East	Total	Total
Steers and heifers	2023	884 687	221 796	1 106 483	10 239 000
	% chg 2022	-6%	-10%	-6%	-3%
Cows and bulls	2023	166 042	52 908	218 950	2 902 000
	% chg 2022	8%	1%	6%	-3%
Milk fed and grain fed calves	2023			69 229	50 975
	% chg 2022			1,2%	-17,7%

Sources :

AAFC (Year to date)

USDA (Year to date)

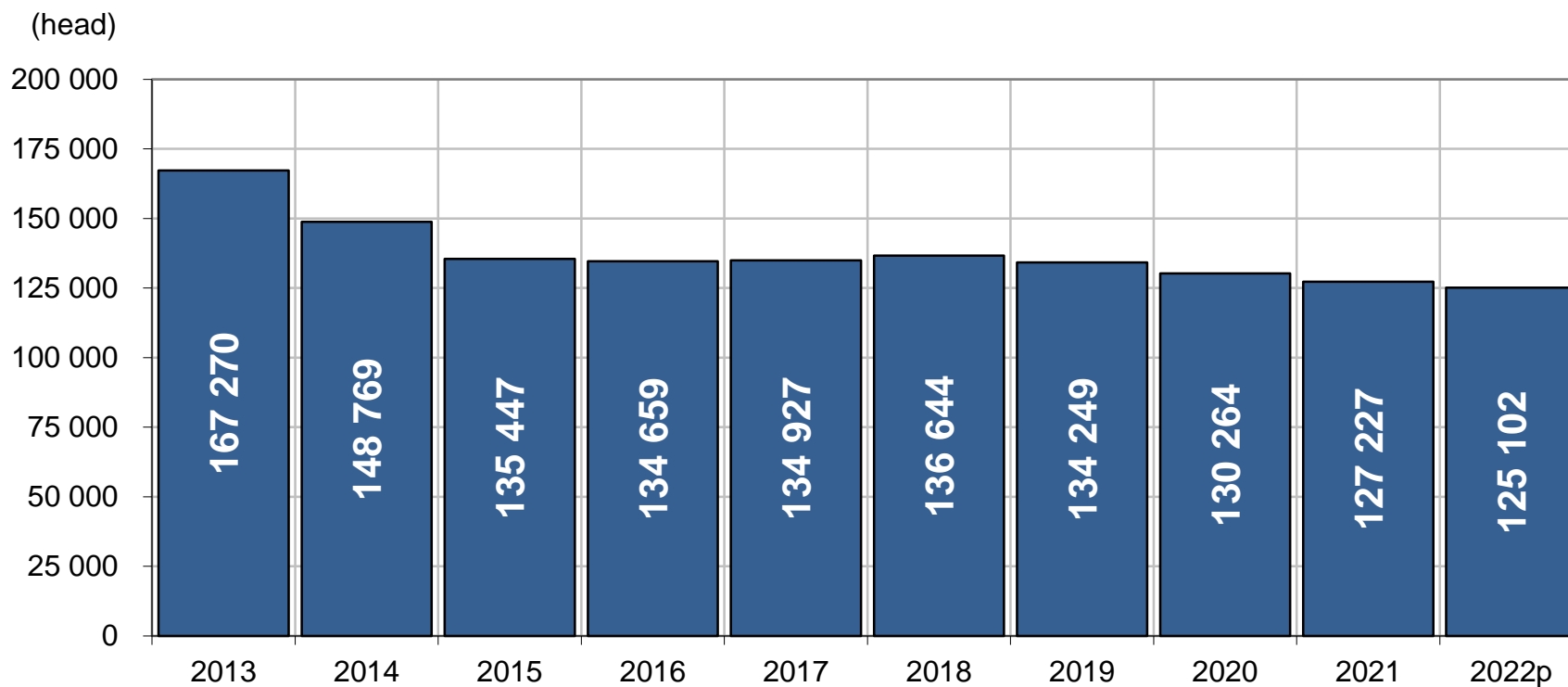
Price variation of cattle in Quebec since January 2019



Source :
• PBQ

Feeder calf

Number of beef cows in Quebec

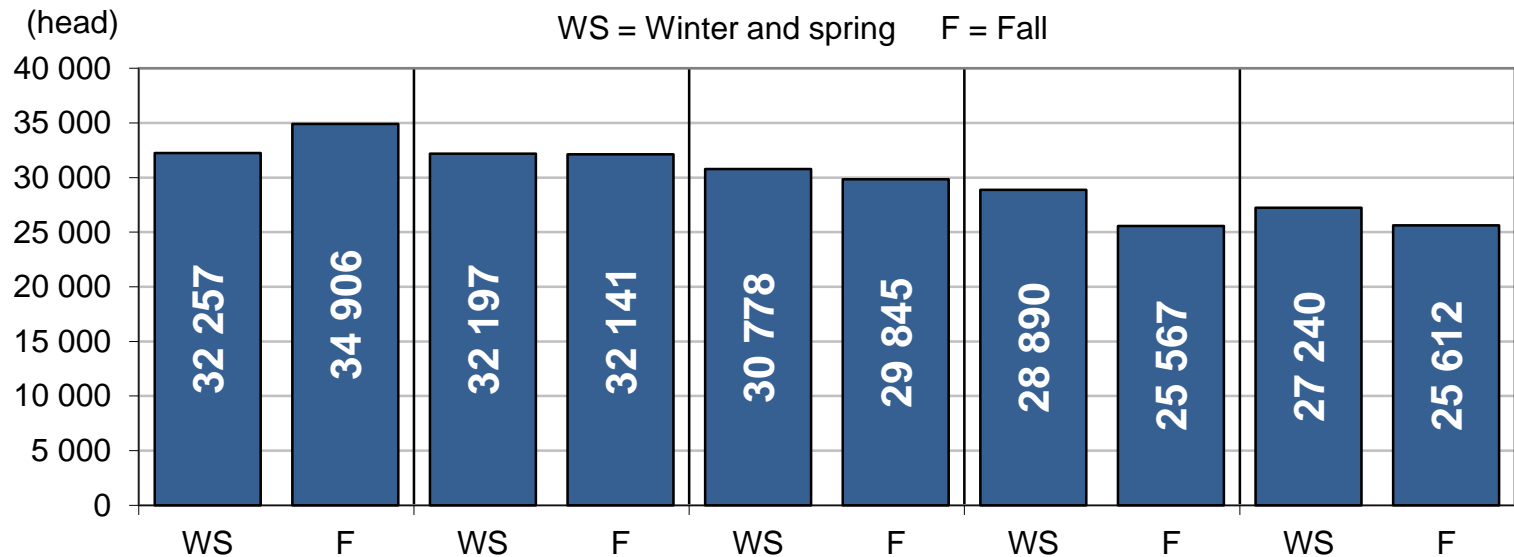


Sources :

- Number of beef cows on farms (annual average), FADQ cow calf ASRA Program

Feeder calf

Feeder calves in Quebec specialized auctions (numbers and weights)



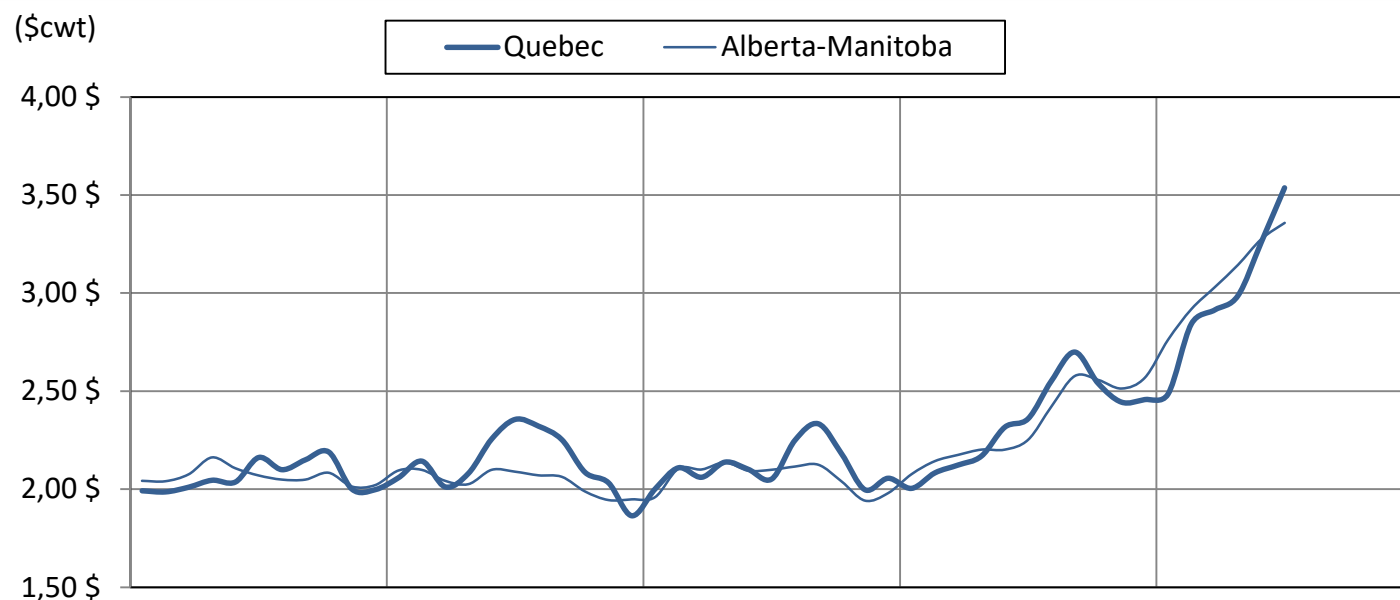
	2018	2019	2020	2021	2022
Head	67 163	64 338	60 623	54 457	52 852
Weight (lb)	657	664	667	681	676

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



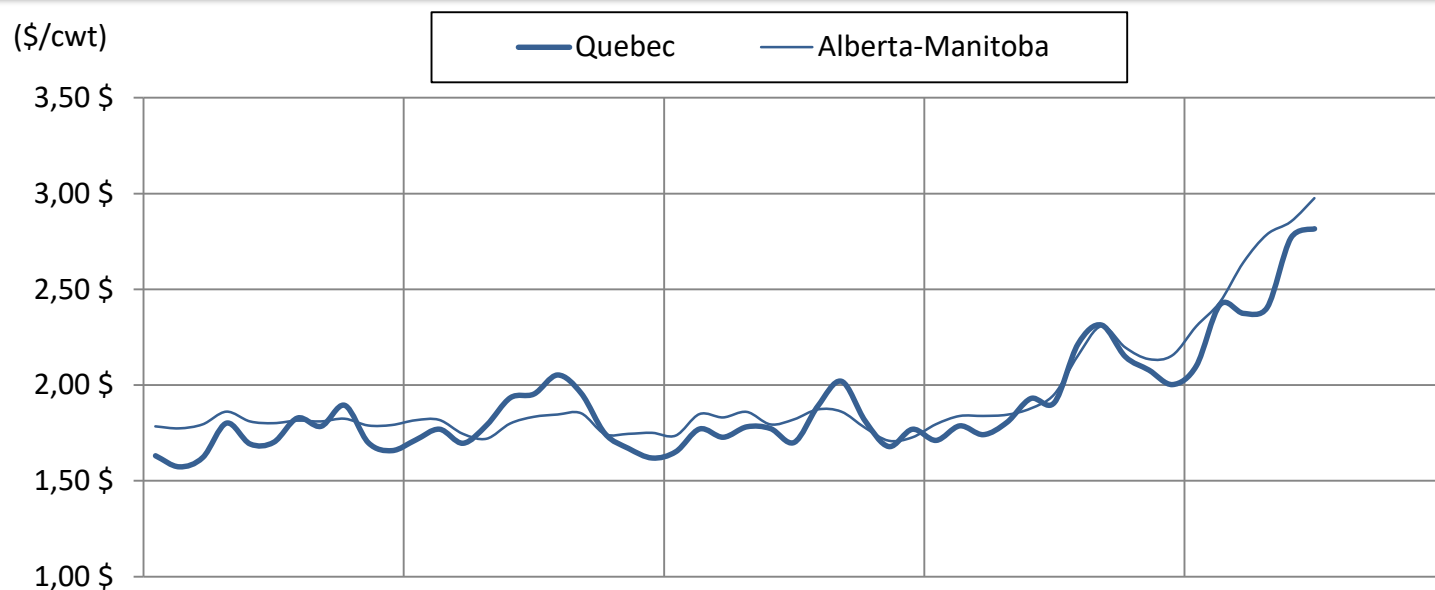
	2019	2020	2021	2022	2023
Quebec	2,06 \$	2,13 \$	2,12 \$	2,34 \$	3,00 \$
Que-(Alb-Man)	0,00 \$	0,09 \$	0,05 \$	0,01 \$	-0,08 \$

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



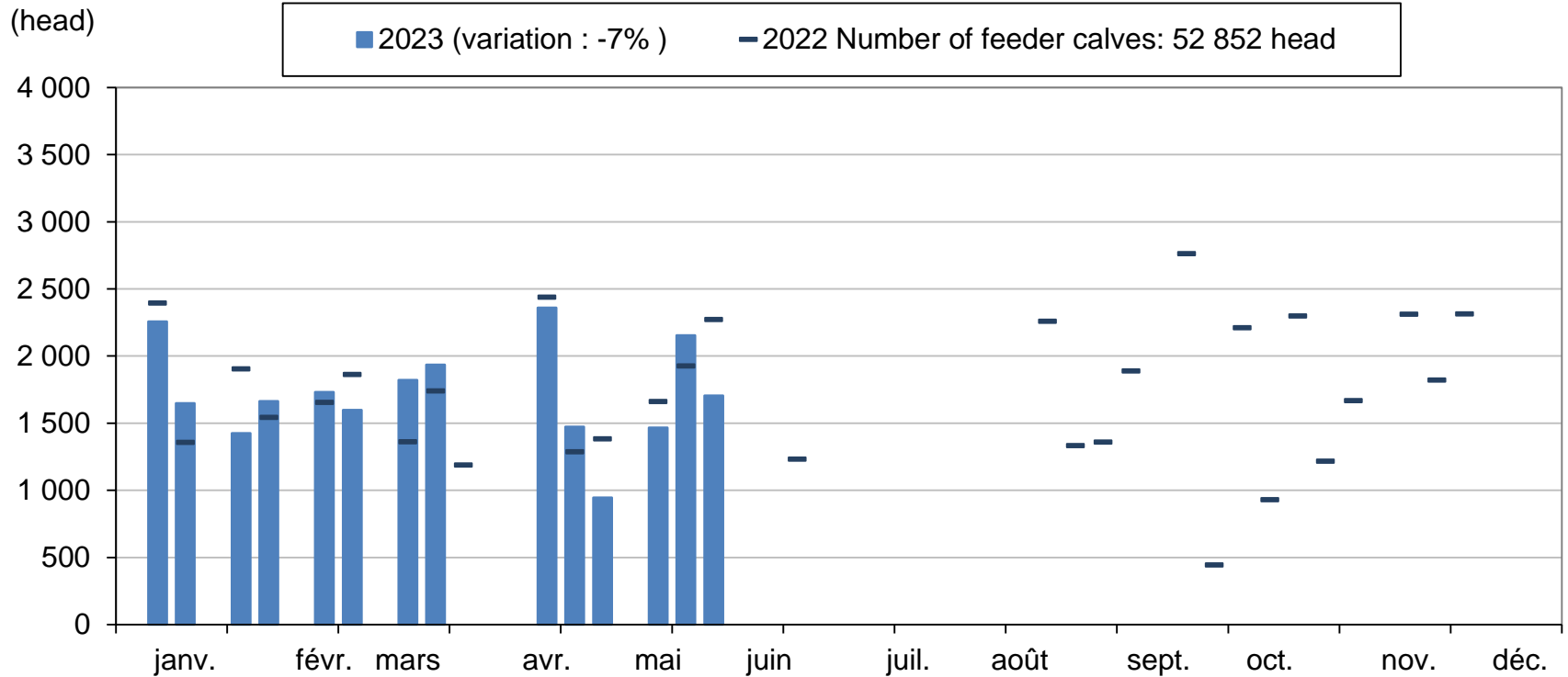
	2019	2020	2021	2022	2023
Quebec	1,81 \$	1,79 \$	1,80 \$	1,97 \$	2,48 \$
Que-(Alb-Man)	-0,09 \$	0,02 \$	-0,02 \$	-0,04 \$	-0,19 \$

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 2022-2023

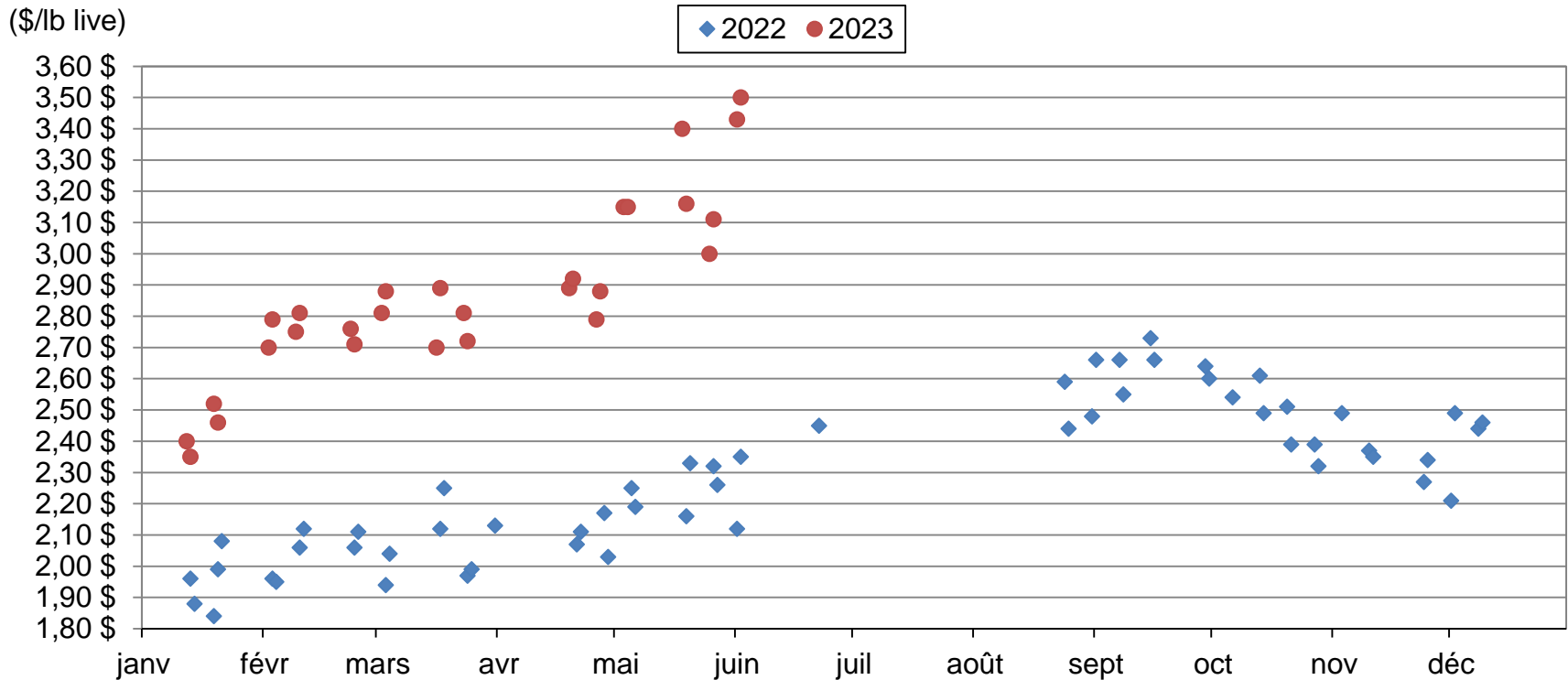


Source :
Number of feeder calves in Quebec specialized auctions in Quebec, PBQ

Feeder calf

Price of male feeder calves (600-700 lb)

Quebec specialized auctions 2022-2023



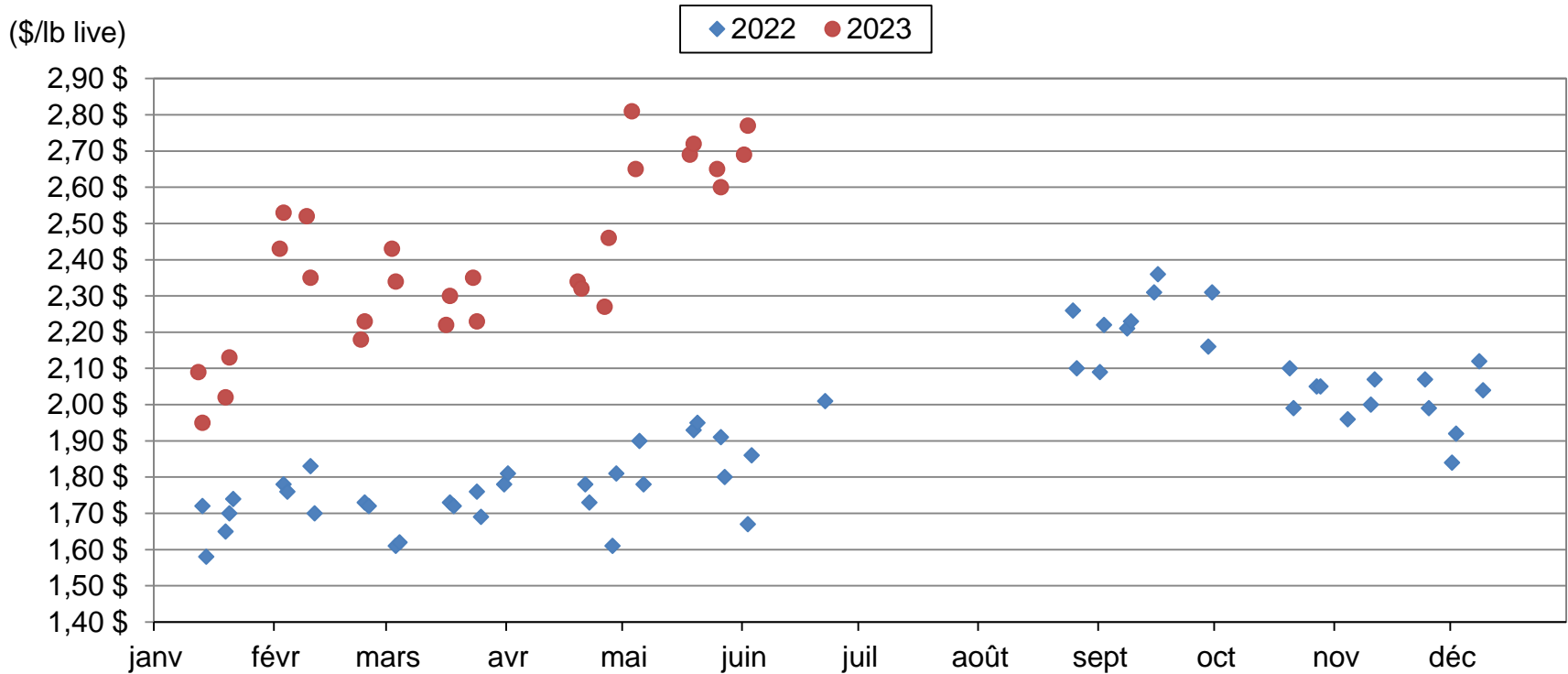
Sources :

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

Feeder calf

Price of female feeder calves (600-700 lb)

Quebec specialized auctions 2022-2023

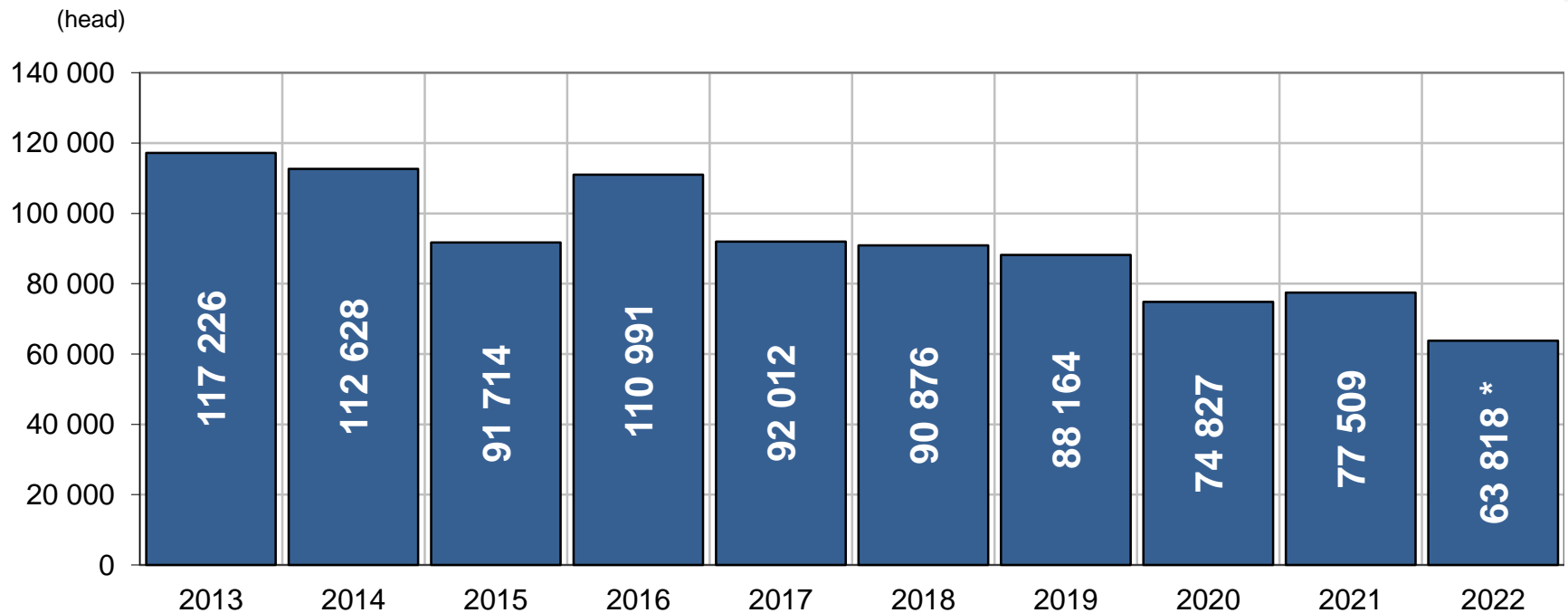


Sources :

- 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

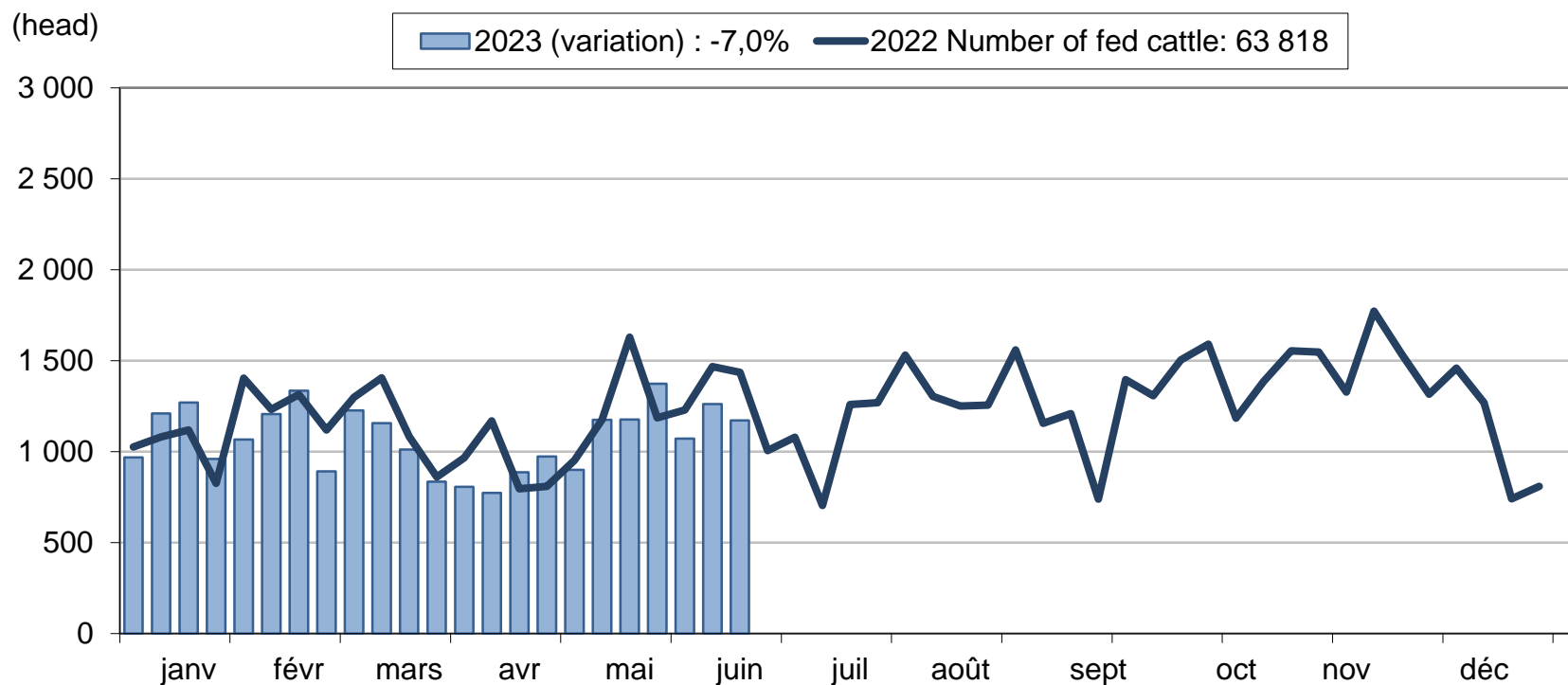


* The 2022 volume does not include sales paid directly to producers.

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

Fed cattle

Number of cattle fed in Quebec 2022-2023



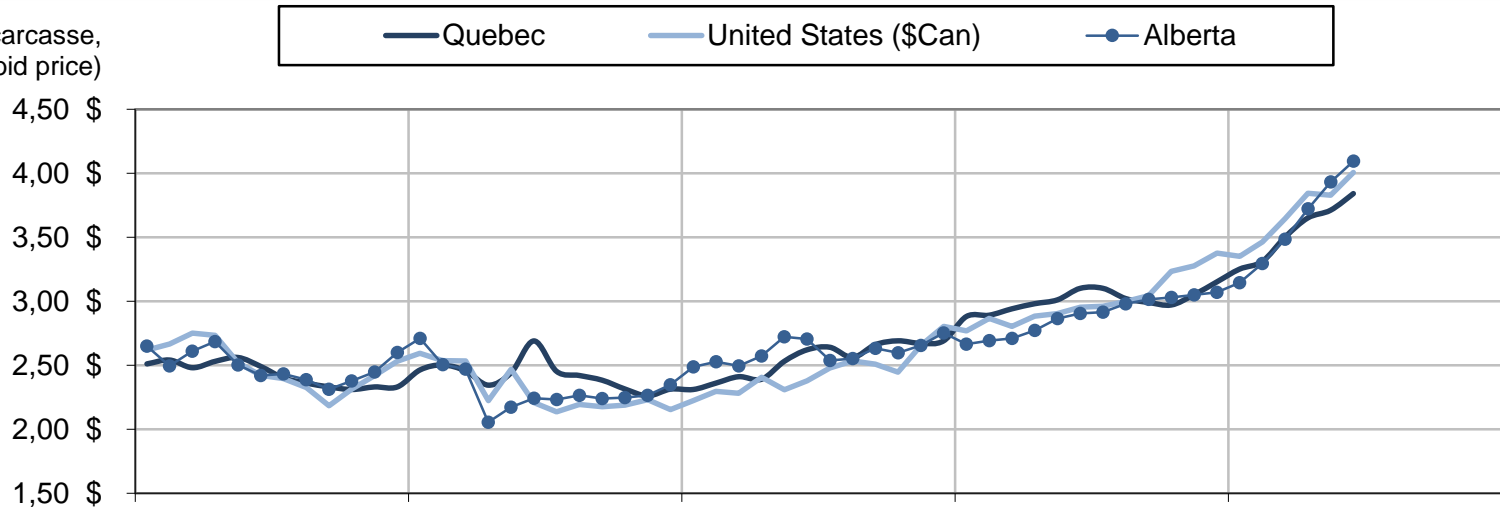
Source:

- 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)



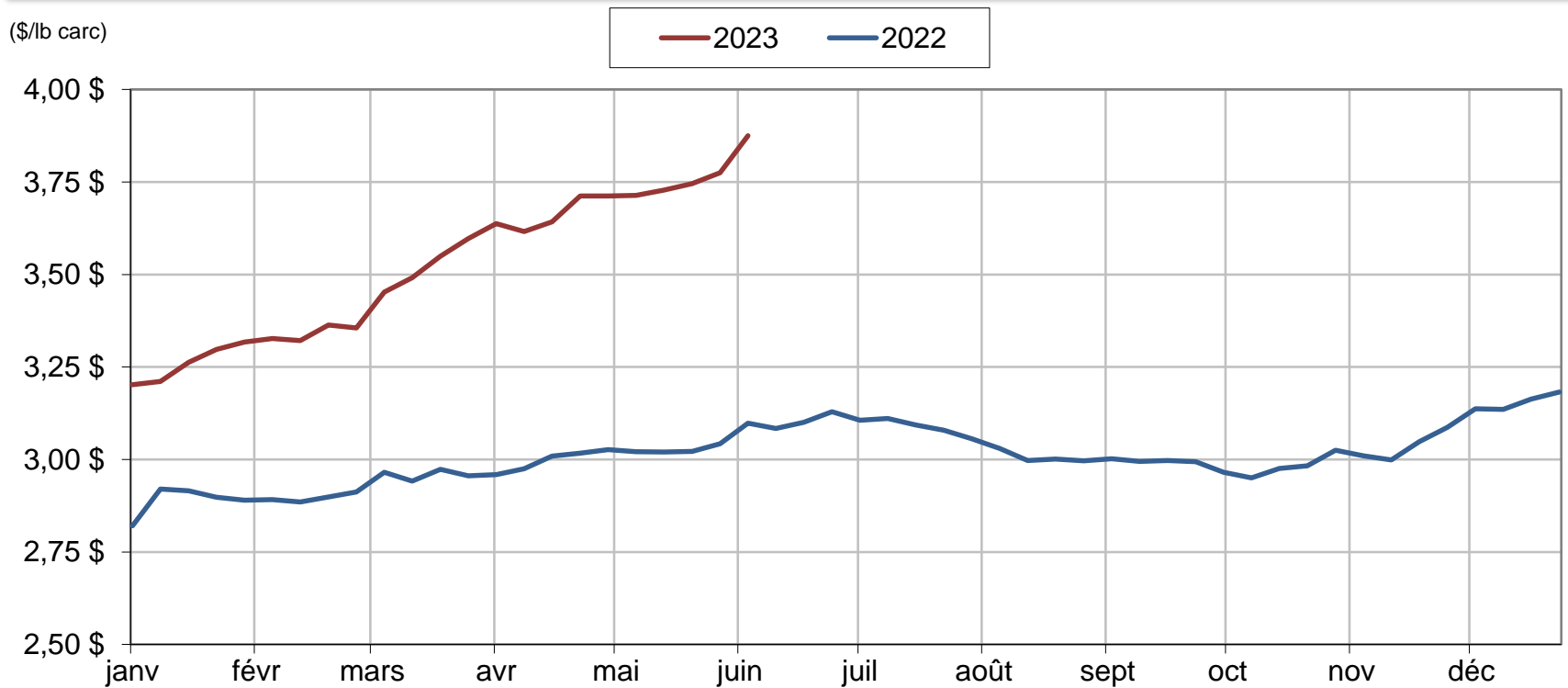
	2019	2020	2021	2022	2023
Quebec	2,43 \$	2,42 \$	2,54 \$	3,01 \$	3,54 \$
Que-Ont	-0,03 \$	0,01 \$	-0,03 \$	-0,03 \$	-0,08 \$
Que-US	-0,06 \$	0,12 \$	0,10 \$	0,00 \$	-0,15 \$
Que-Alb	-0,06 \$	0,11 \$	-0,06 \$	0,12 \$	-0,07 \$

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

Fed cattle

Price of fed cattle in Quebec 2022-2023

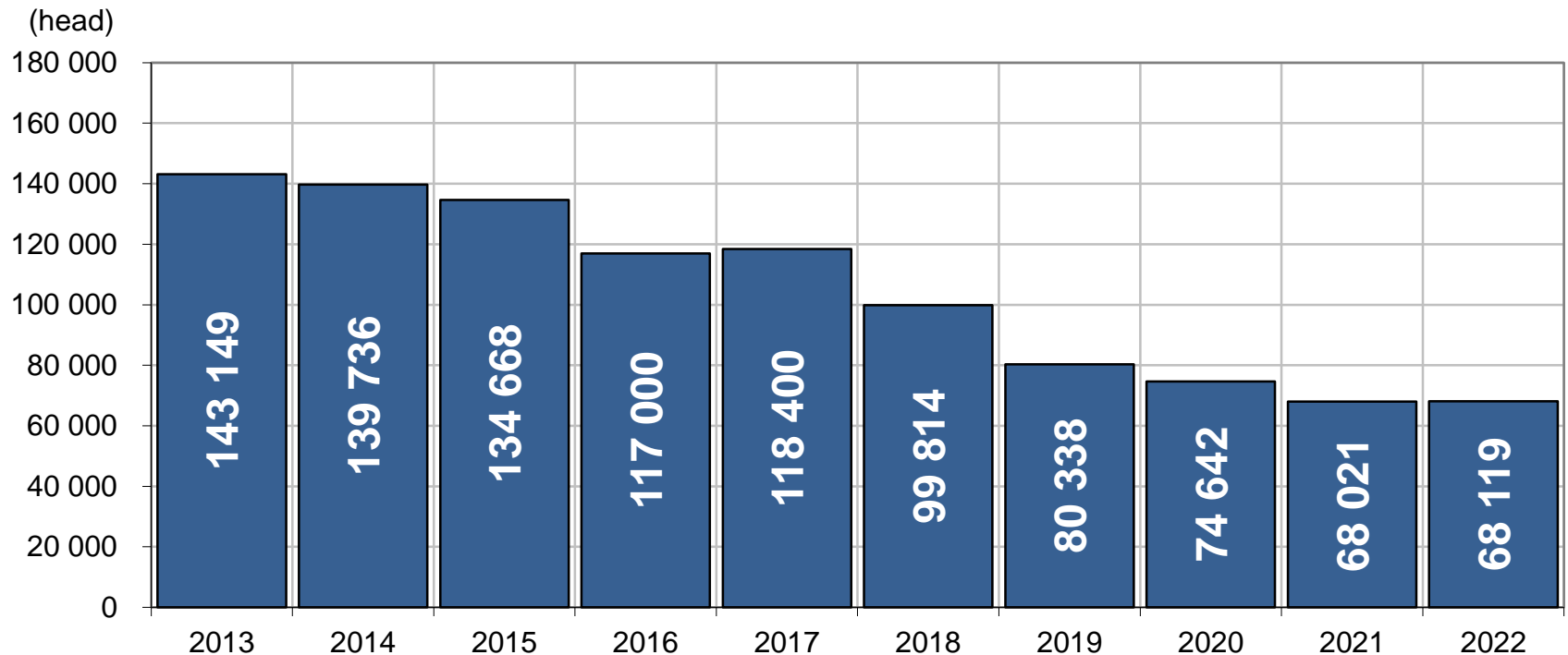


Sources :

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

Milk-fed veal

Number of calves fed in Quebec



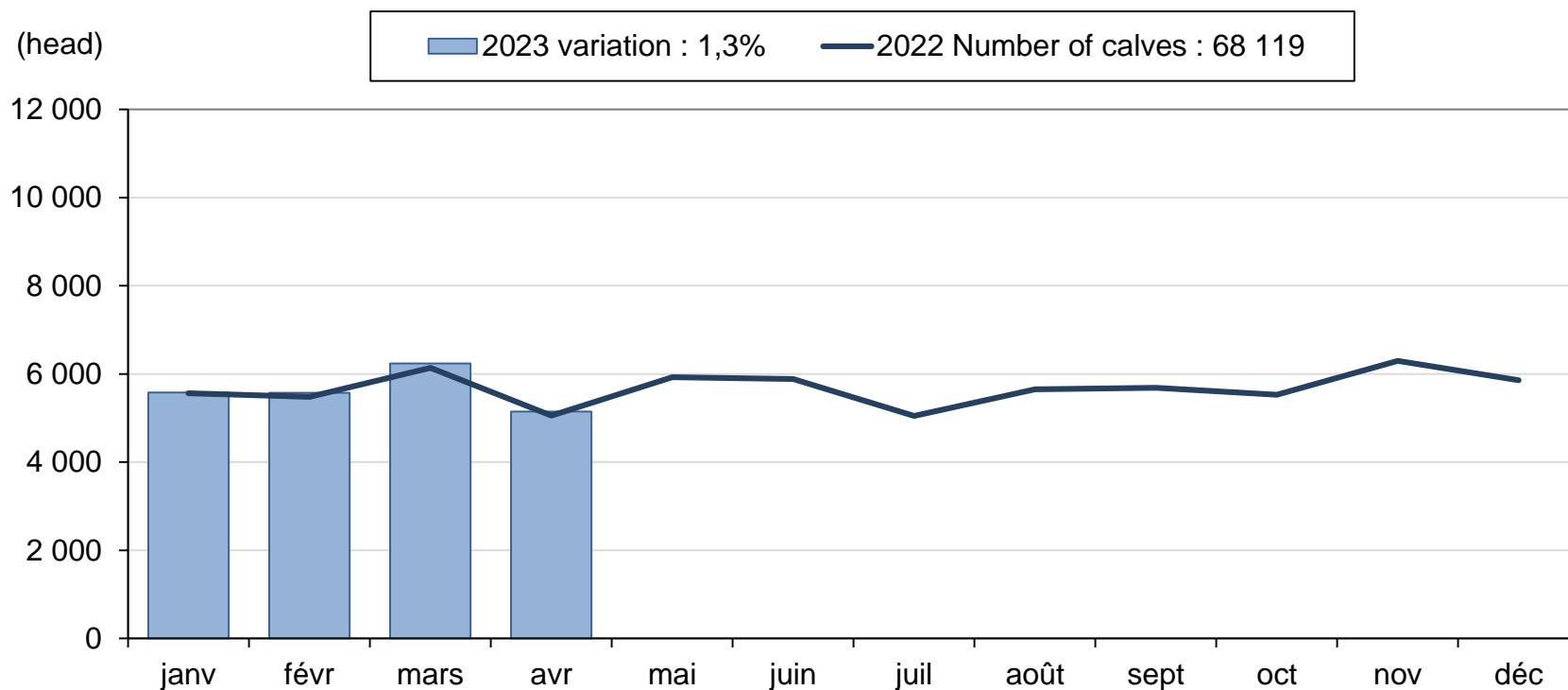
Sources :

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

Milk-fed veal

Number of calves fed in Quebec

2022-2023

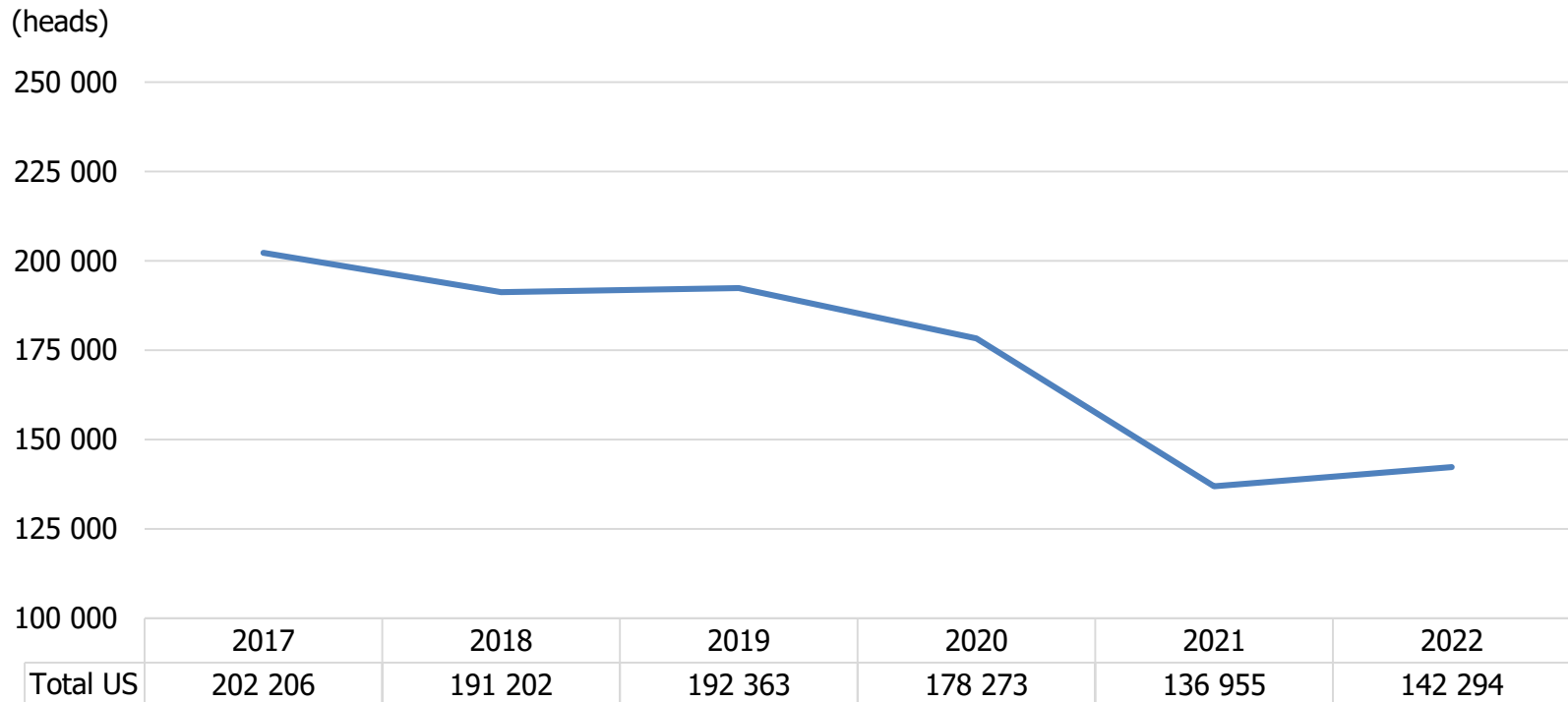


Sources :

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

Milk-fed veal

Number of calves slaughtered in United-States



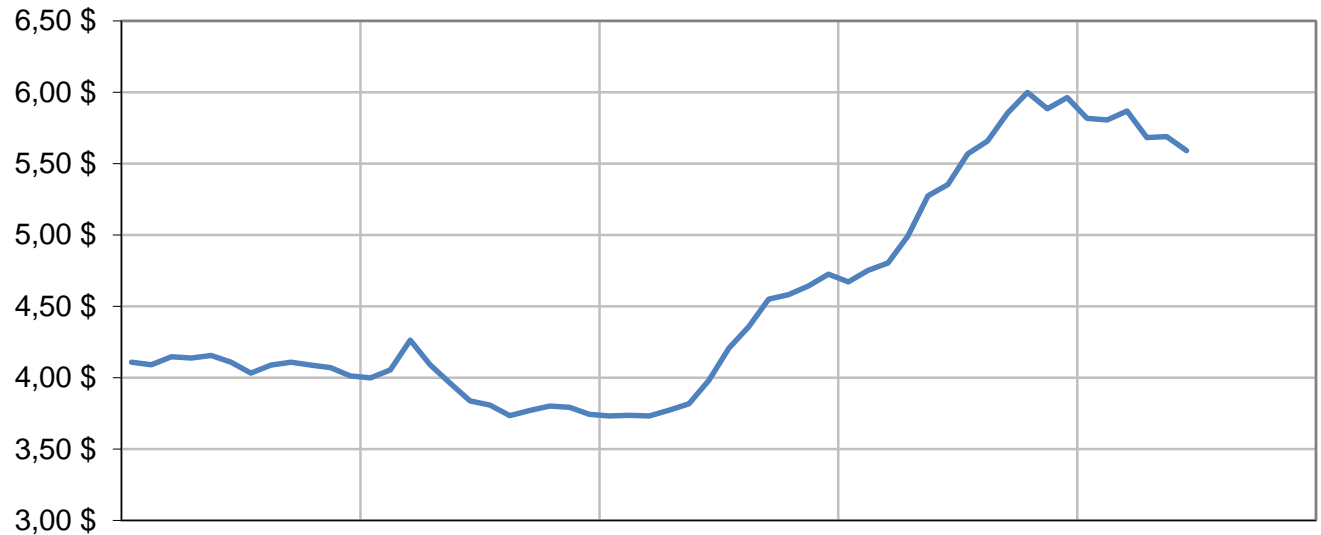
Sources :

- 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 United-States

(\$ CAN/lb carcass hide off)



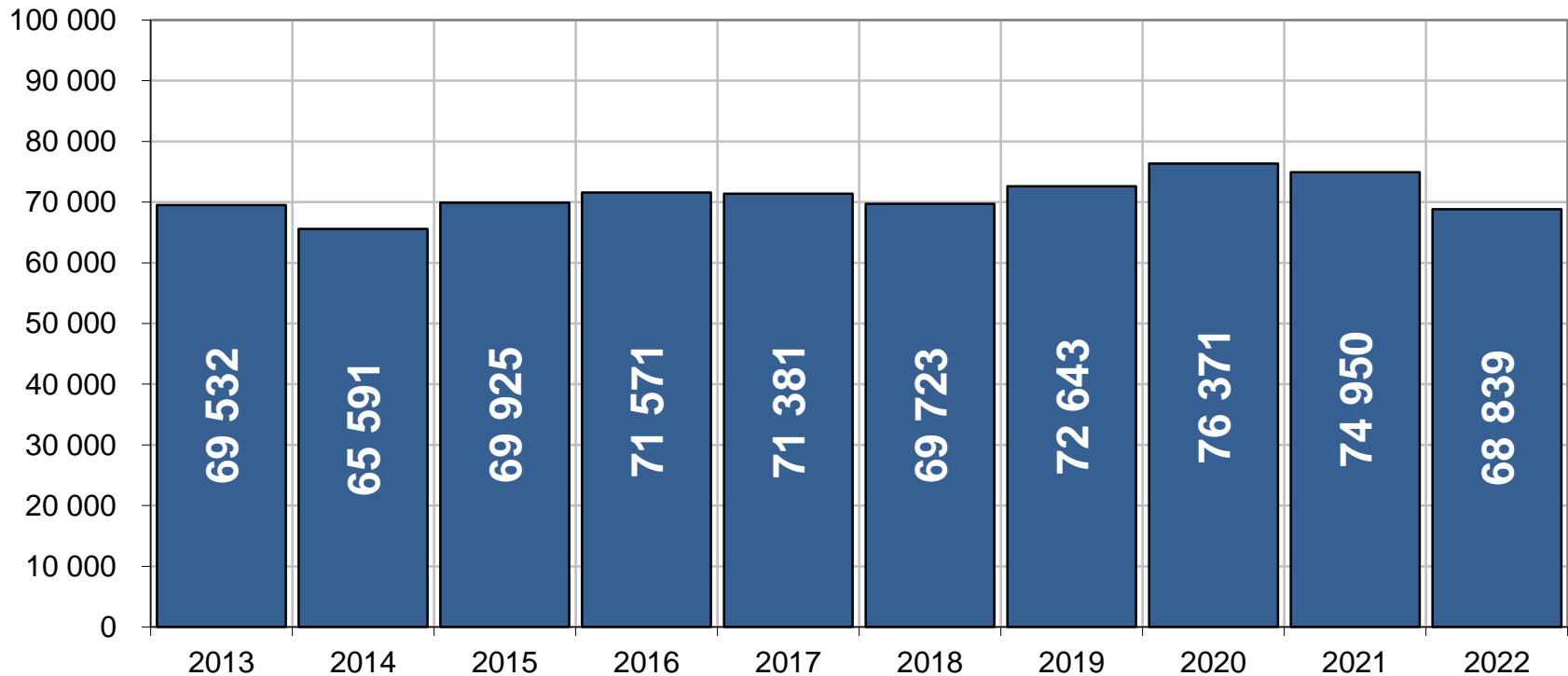
	2019	2020	2021	2022	2023
USA	4,10 \$	3,90 \$	4,15 \$	5,40 \$	5,74 \$

Sources :

- USA : USDA converted to \$ CAN. Gross price.

Grain-fed veal

Number of calves fed in Quebec

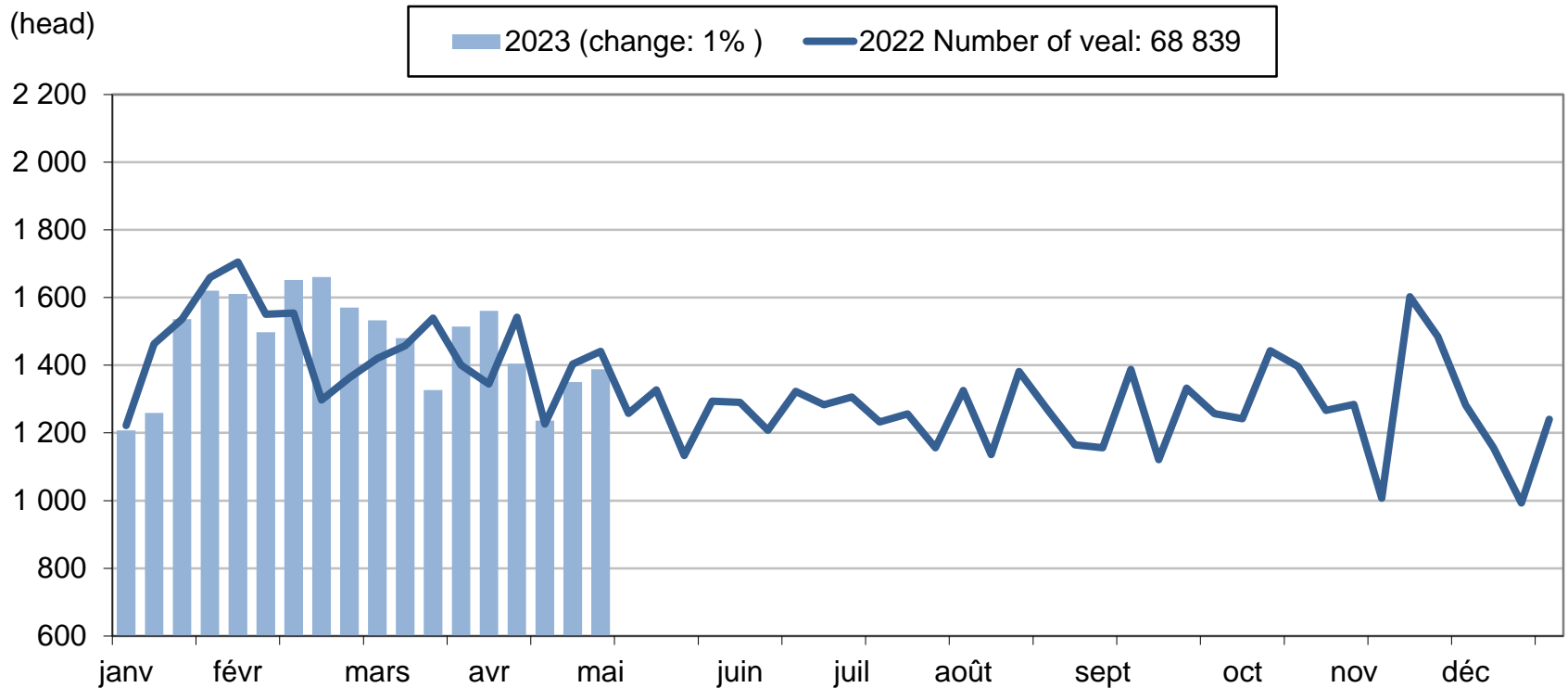


Sources :

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

Grain-fed veal

Number of calves fed in Quebec 2022-2023

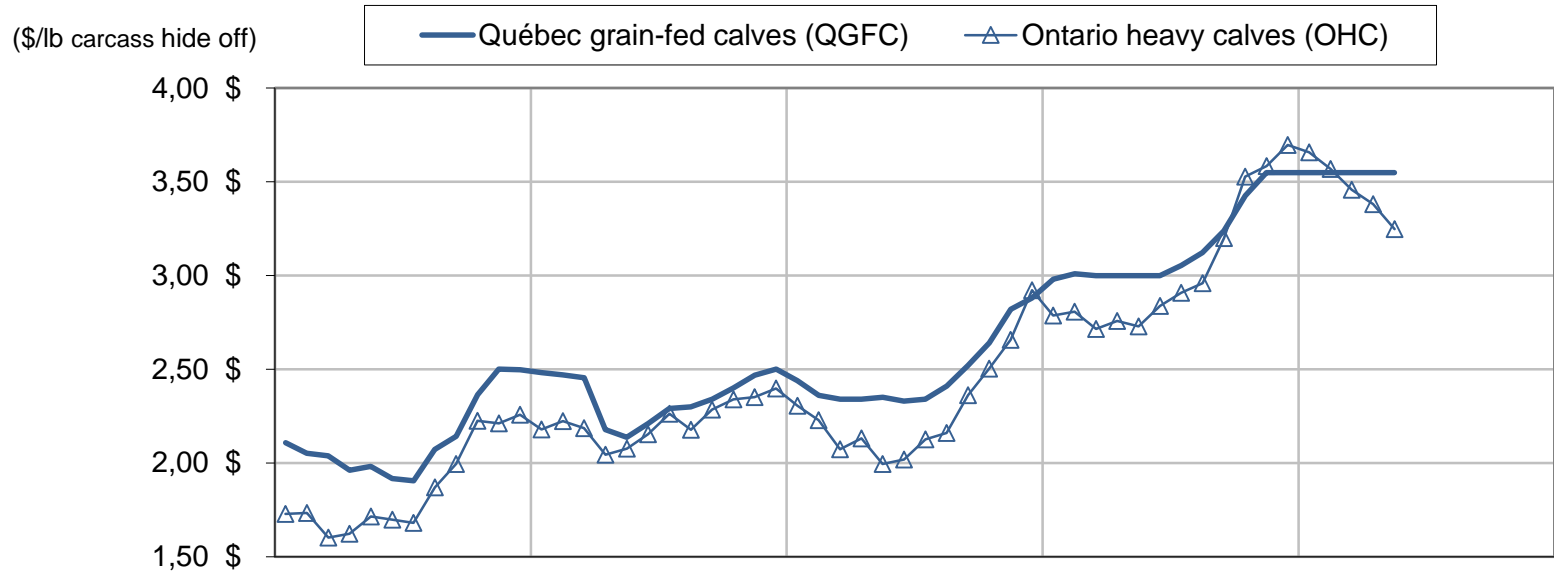


Sources :

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

Grain-fed veal

Price of grain-fed veal calves in Quebec and Ontario



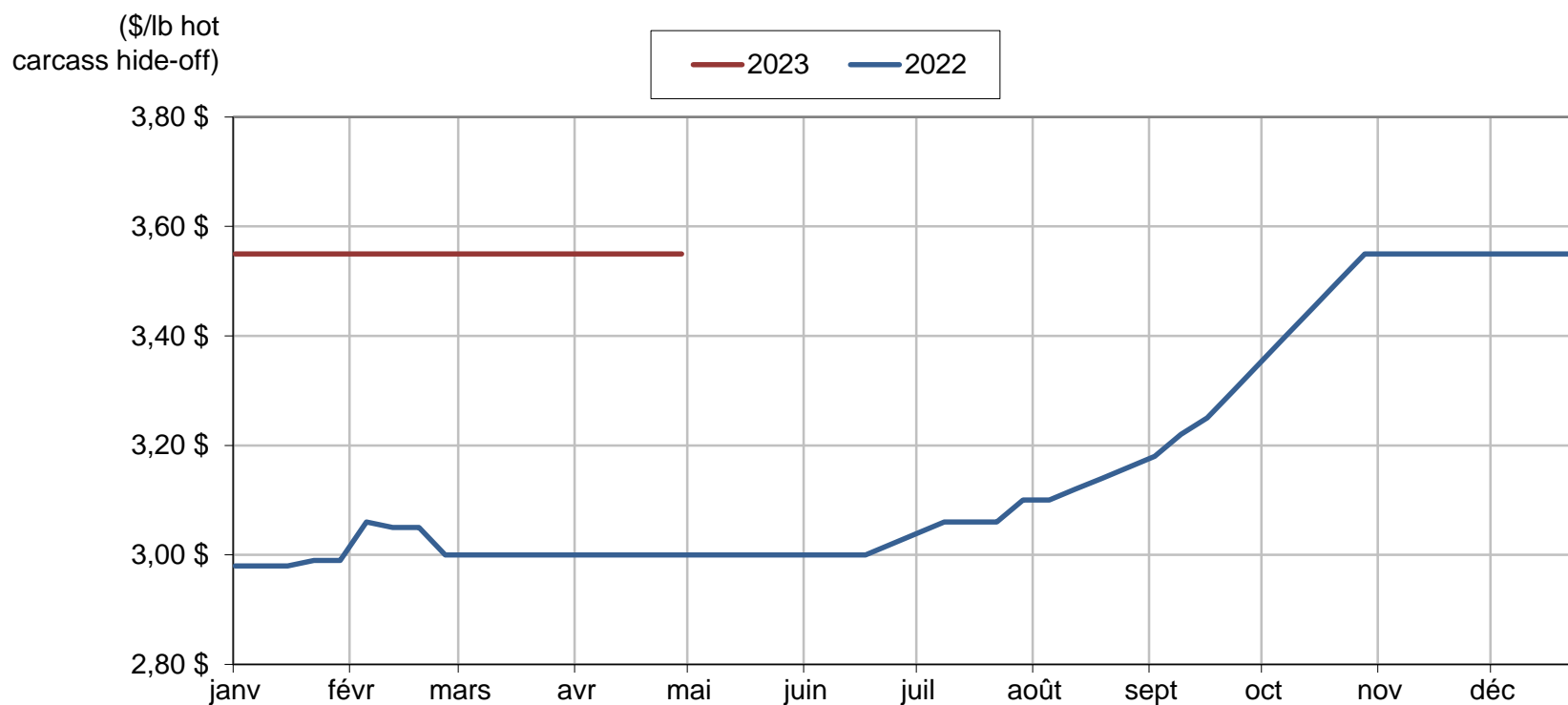
	2019	2020	2021	2022	2023
QGFC	2,13 \$	2,35 \$	2,48 \$	3,16 \$	3,55 \$
QGFC-OHC	0,27 \$	0,13 \$	0,19 \$	0,12 \$	0,09 \$

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 2022-2023

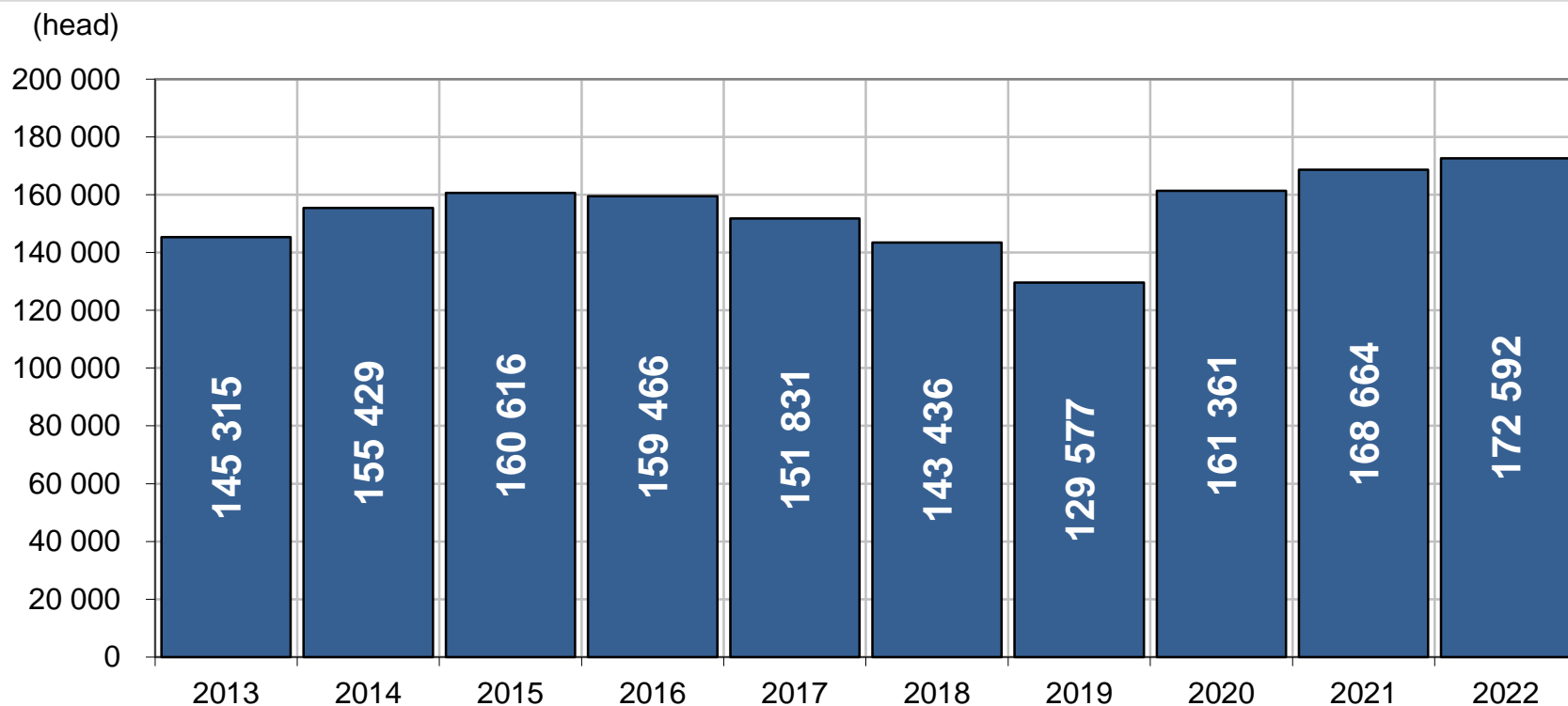


Sources :

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

Bob calves

Number of bob calves marketed in Quebec

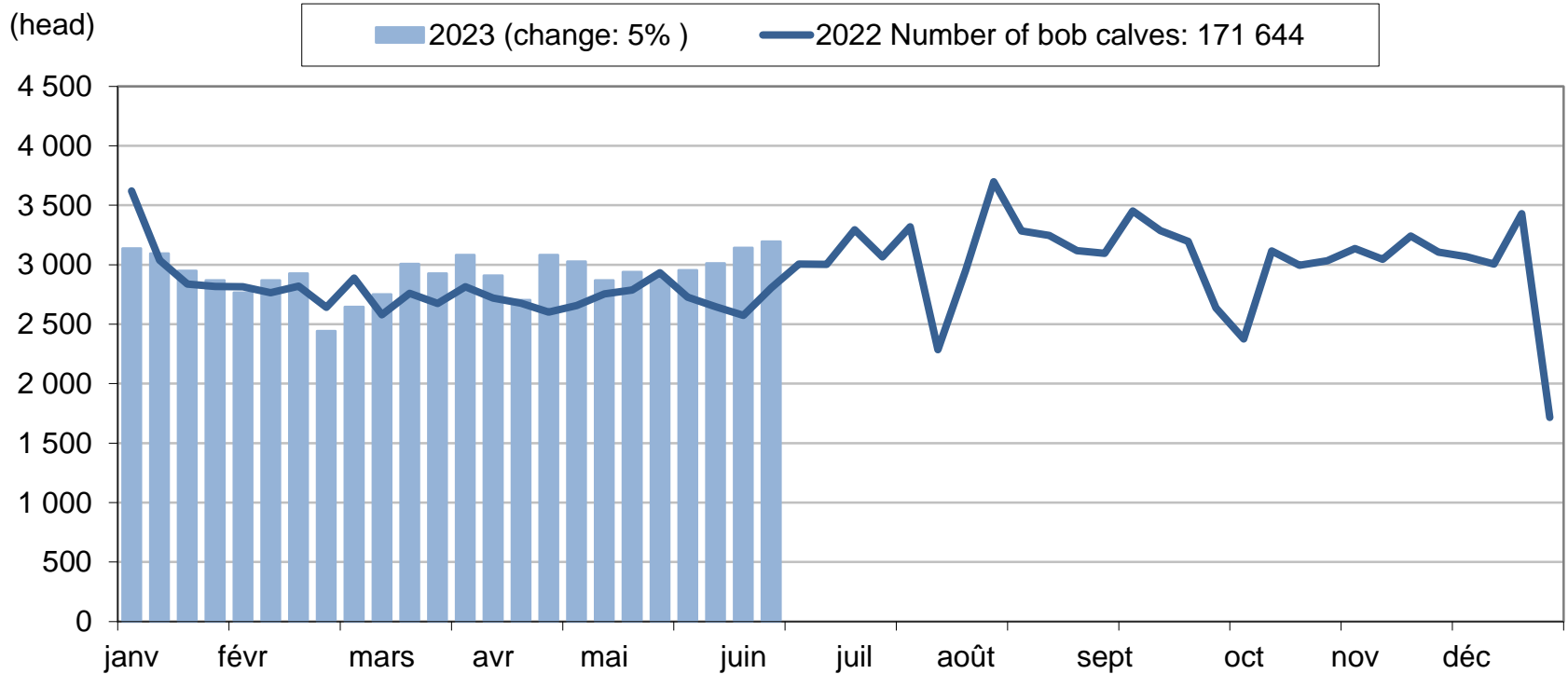


Source :

- Number of calves marketed by Quebec producers, PBQ

Bob calves

Number of bob calves marketed in Quebec 2022-2023

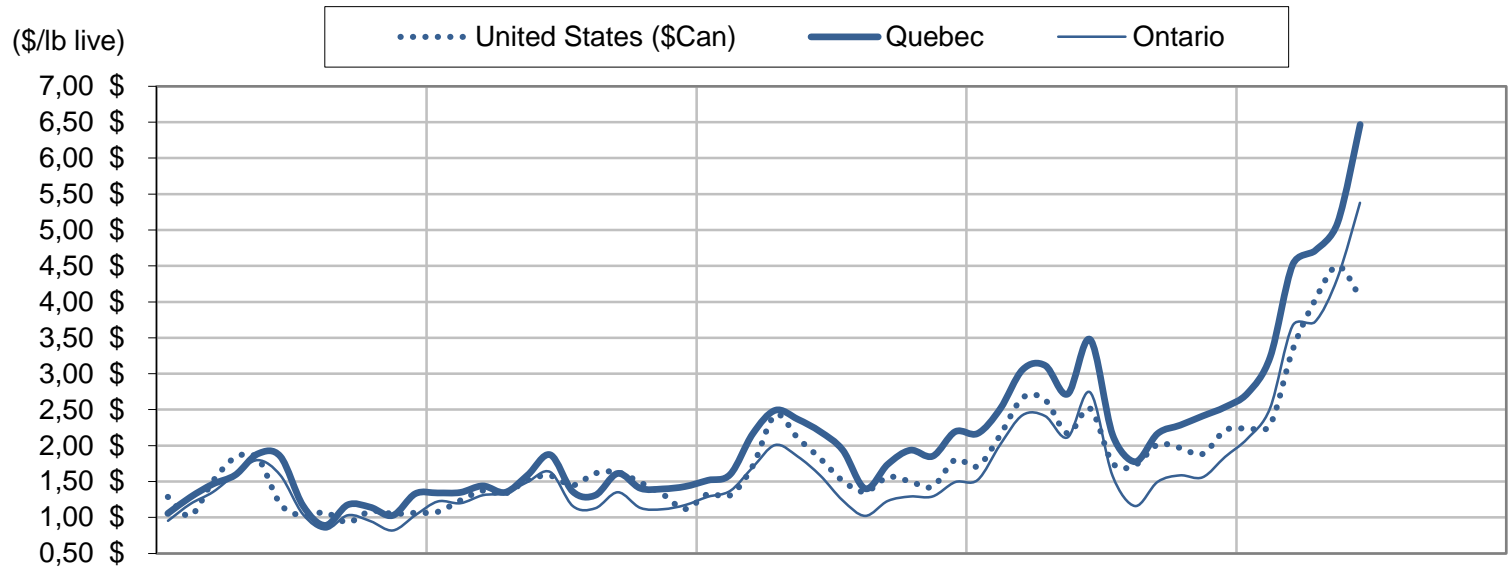


Sources :

- Number of calves marketed by Quebec producers, PBQ

Bob calves

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



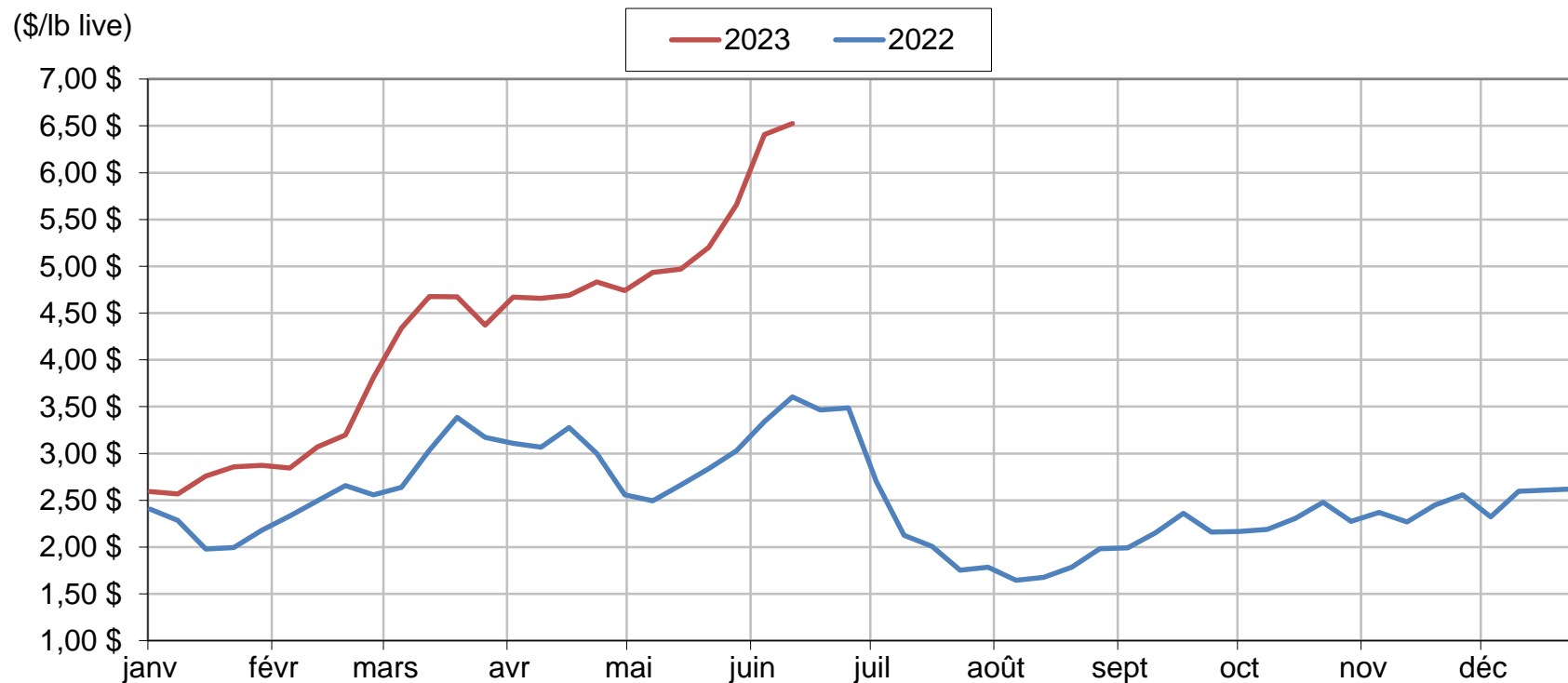
	2019	2020	2021	2022	2023
Quebec	1,32 \$	1,46 \$	1,95 \$	2,53 \$	4,46 \$
Que-US	0,08 \$	0,06 \$	0,42 \$	0,41 \$	1,05 \$
Que-Ont	0,14 \$	0,18 \$	0,50 \$	0,66 \$	0,84 \$

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

Bob calves

Price of good replacement bob calves in Quebec 2022-2023

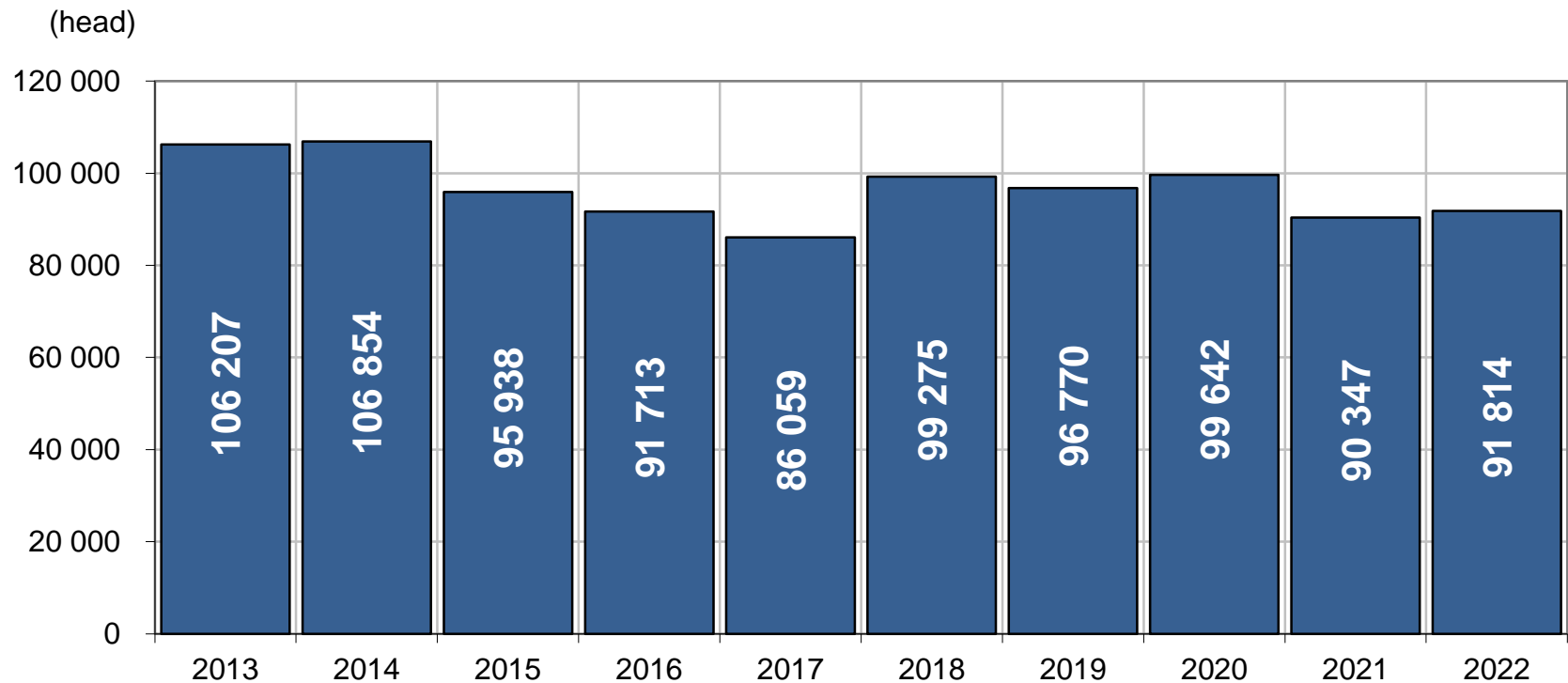


Sources :

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

Cull cattle

Number of cull cows marketed in Quebec

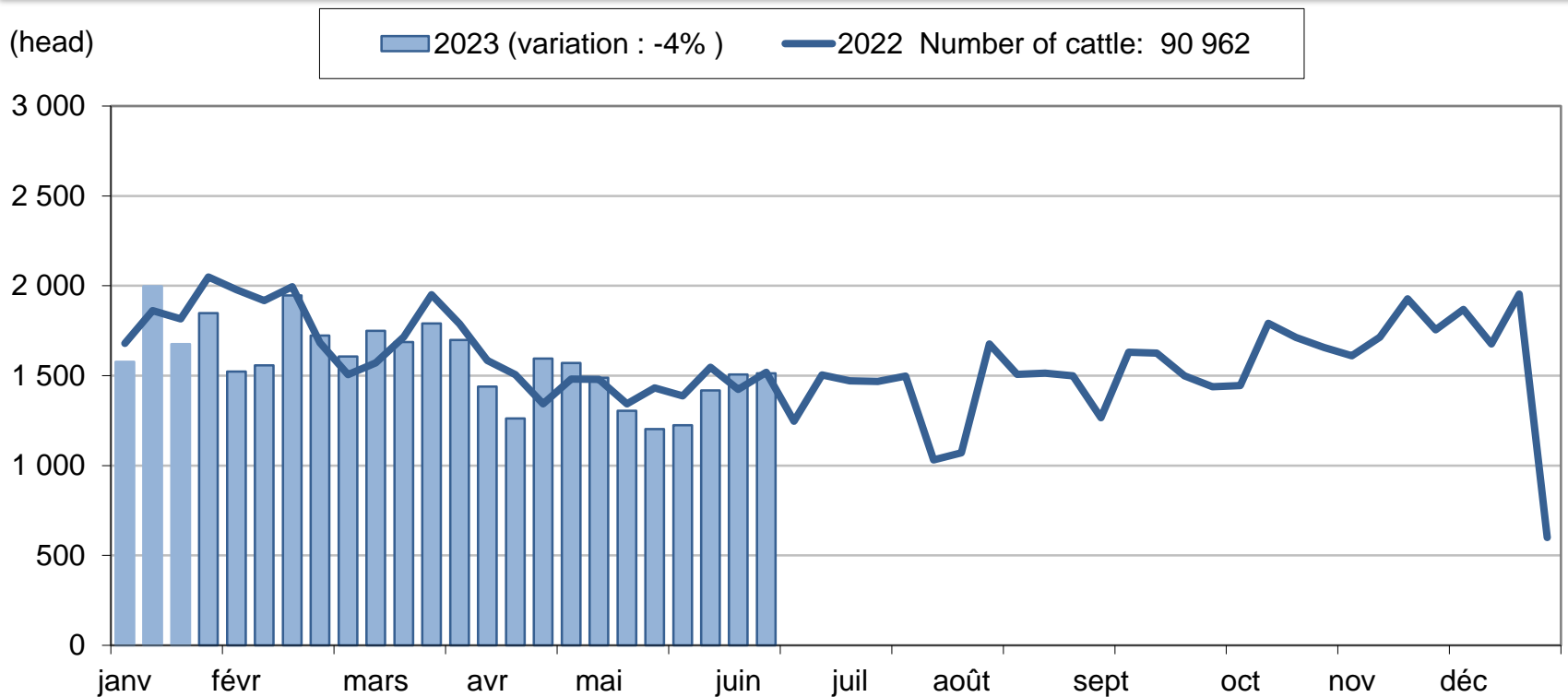


Source :

- Number of cull cows marketed by Quebec producers, PBQ

Cull cattle

Number of cull cows marketed in Quebec 2022-2023

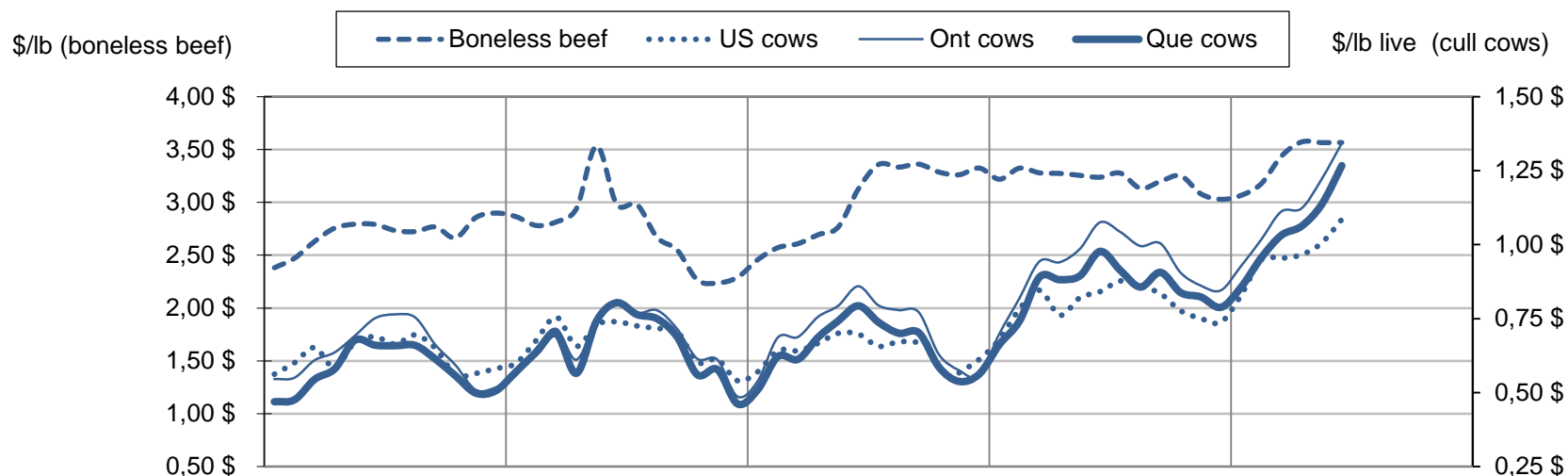


Source :

- Number of calves marketed by Quebec producers, PBQ

Cull cattle

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



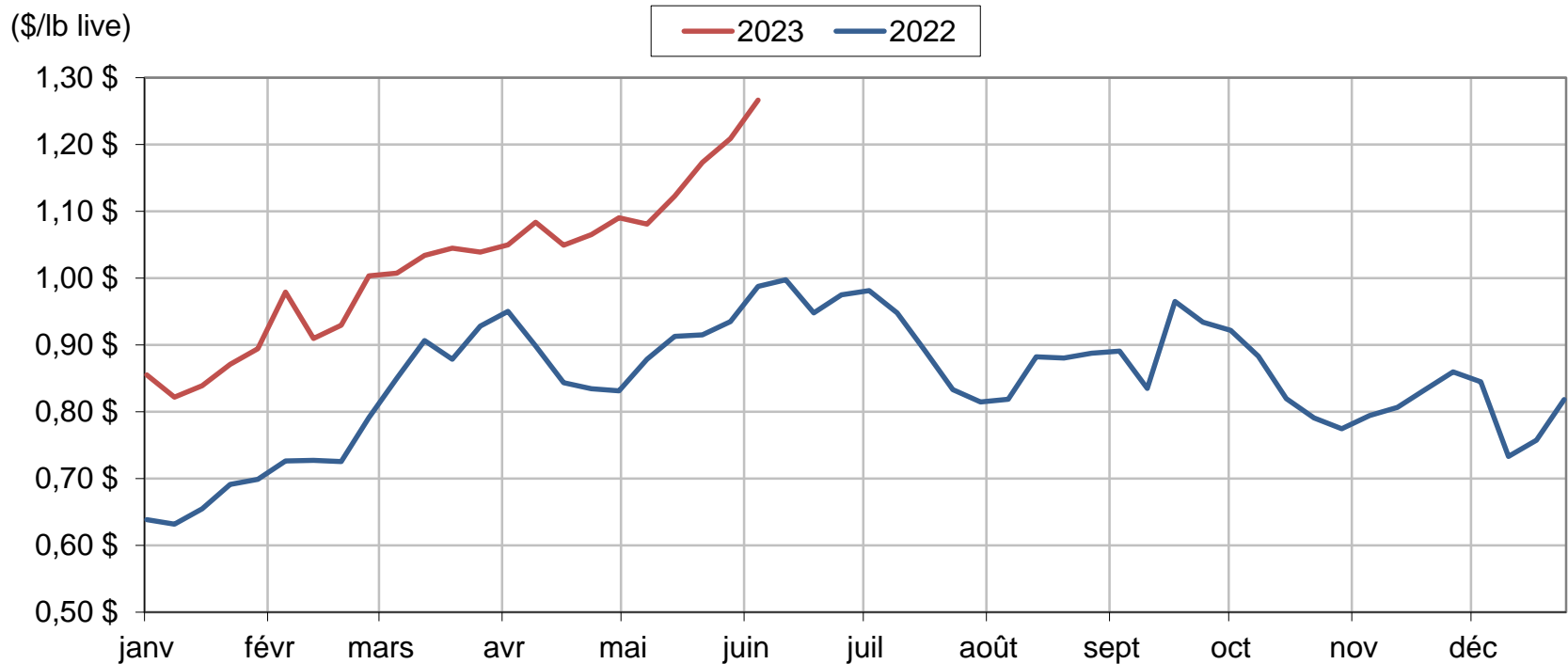
	2019	2020	2021	2022	2023
Boneless beef	2,70 \$	2,74 \$	3,01 \$	3,21 \$	3,40 \$
Que \$/cow	805 \$	912 \$	910 \$	1 187 \$	1 471 \$
Que \$/lb	0,58 \$	0,65 \$	0,65 \$	0,85 \$	1,05 \$
Que-US	-0,05 \$	-0,02 \$	0,00 \$	0,05 \$	0,09 \$
Que-Ont	-0,06 \$	-0,02 \$	-0,05 \$	-0,08 \$	-0,07 \$

Sources :

- Boneless beef : Wholesale price, domestic cow 85%, BFO
- 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

Cull cattle

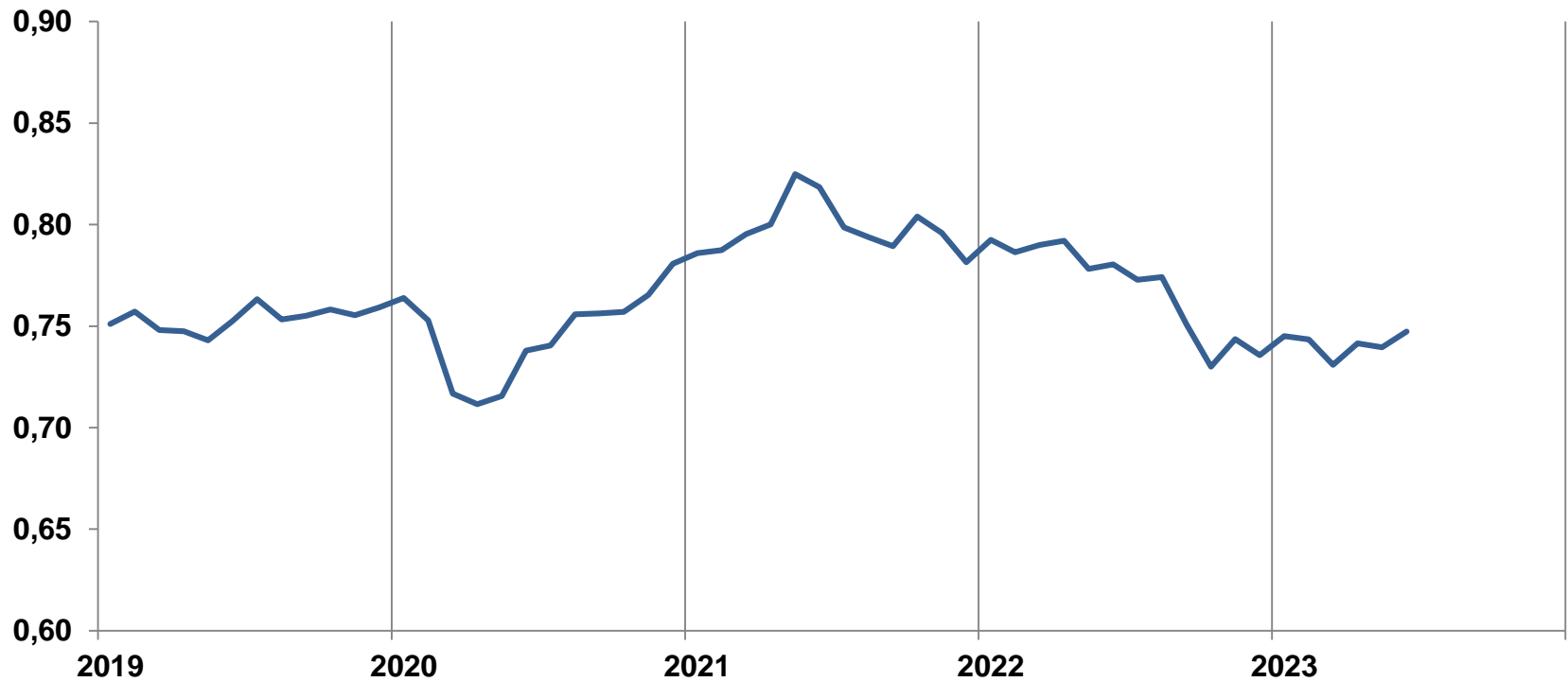
Price of cull cows in Quebec 2022-2023



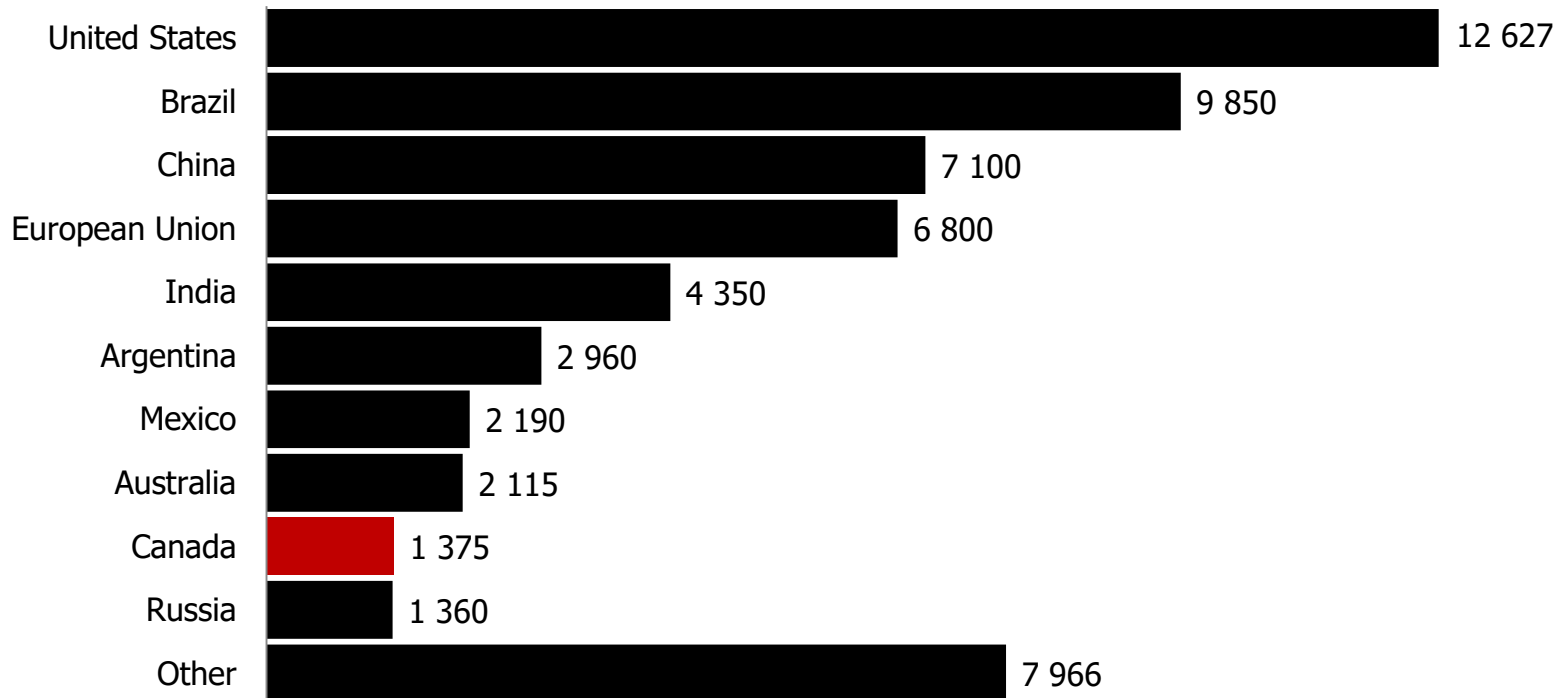
Sources :

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

Exchange rate \$ CAN / \$ US

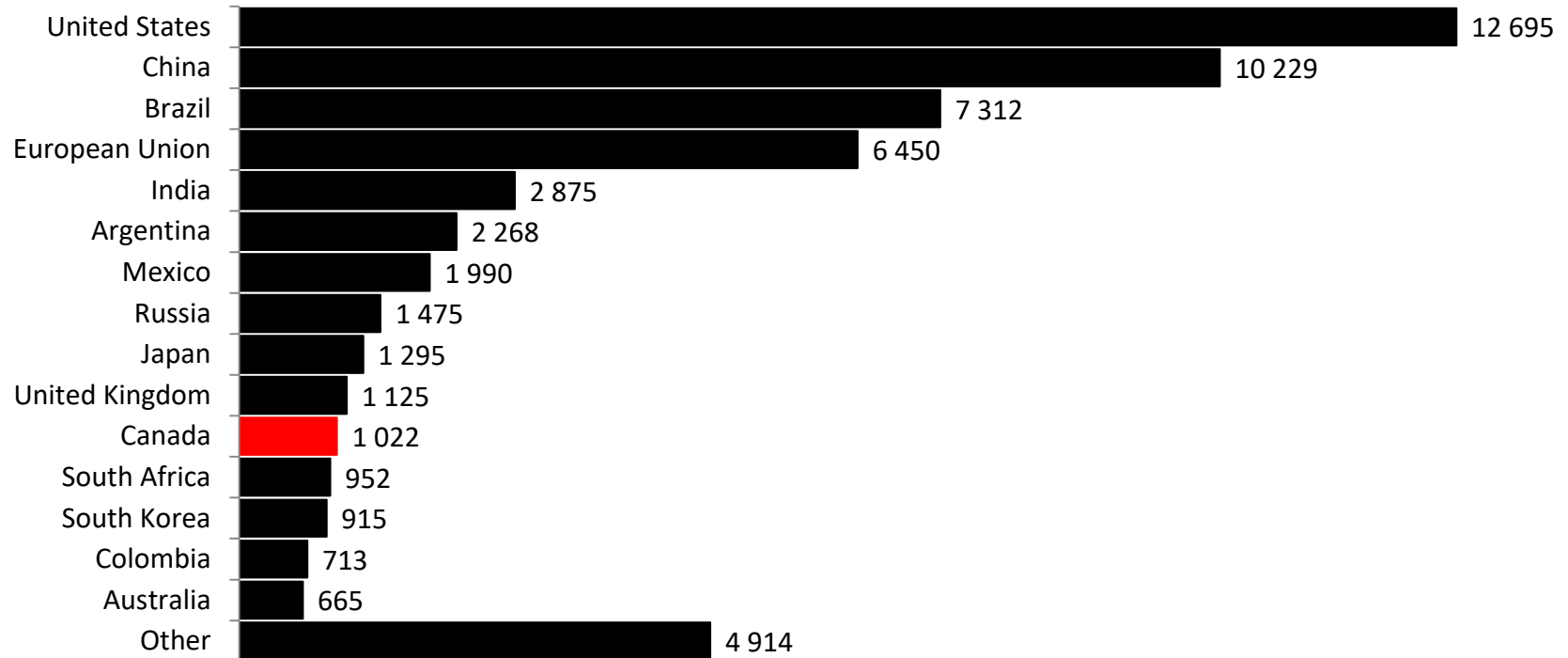


Beef and veal net production (1000 t, cwe) – 2022F



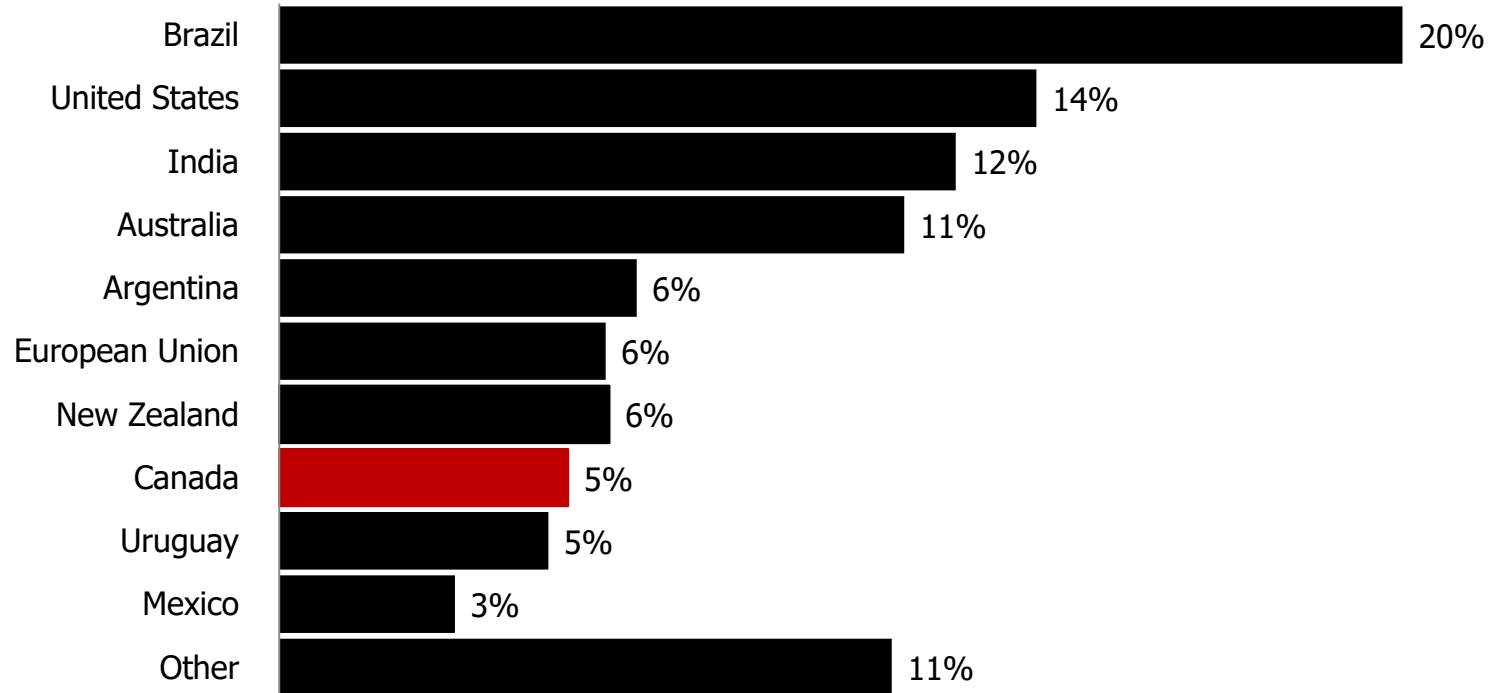
Source :
• Canfax

Beef and veal meat consumption by countries (1000 t, cwe) – 2022F



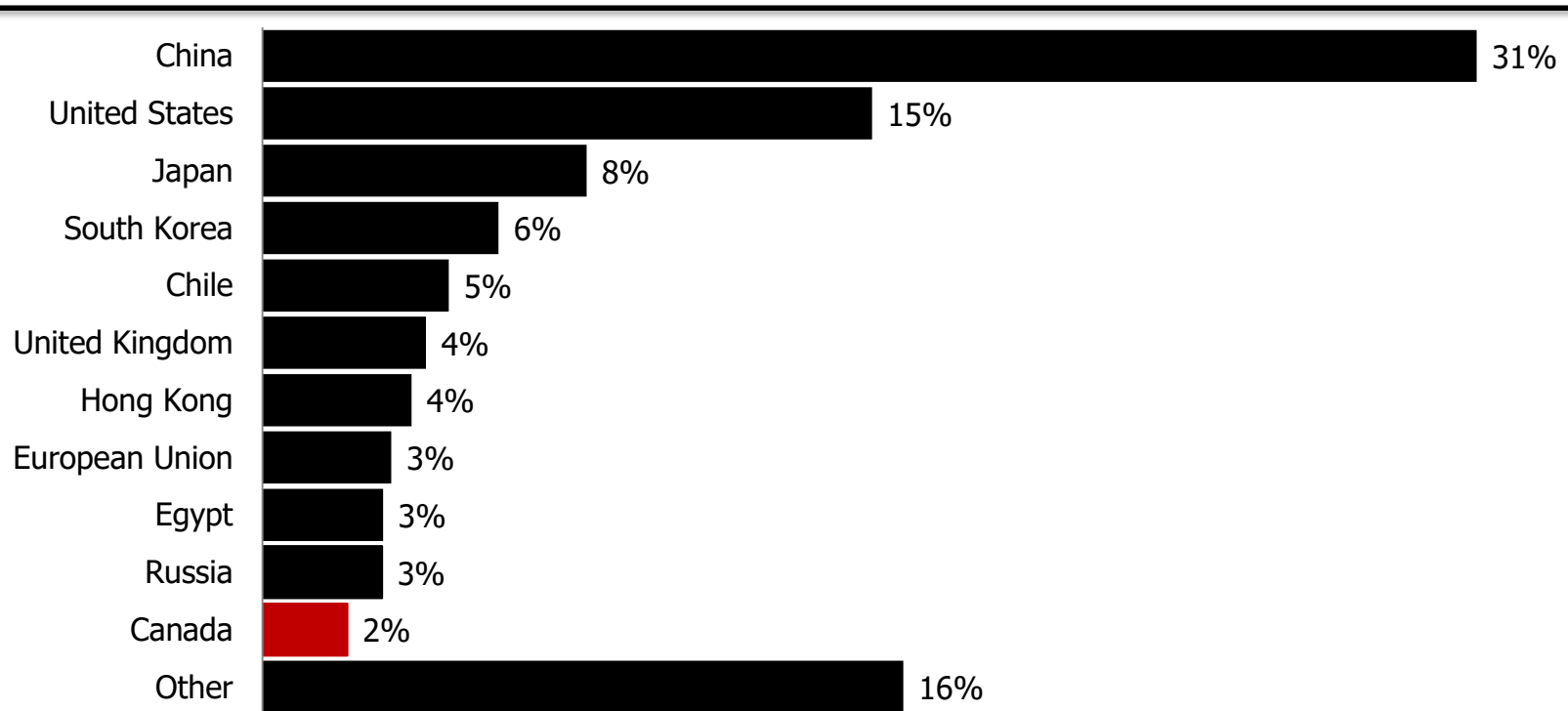
Source :
• Canfax

World top beef exporters (% world) - 2021



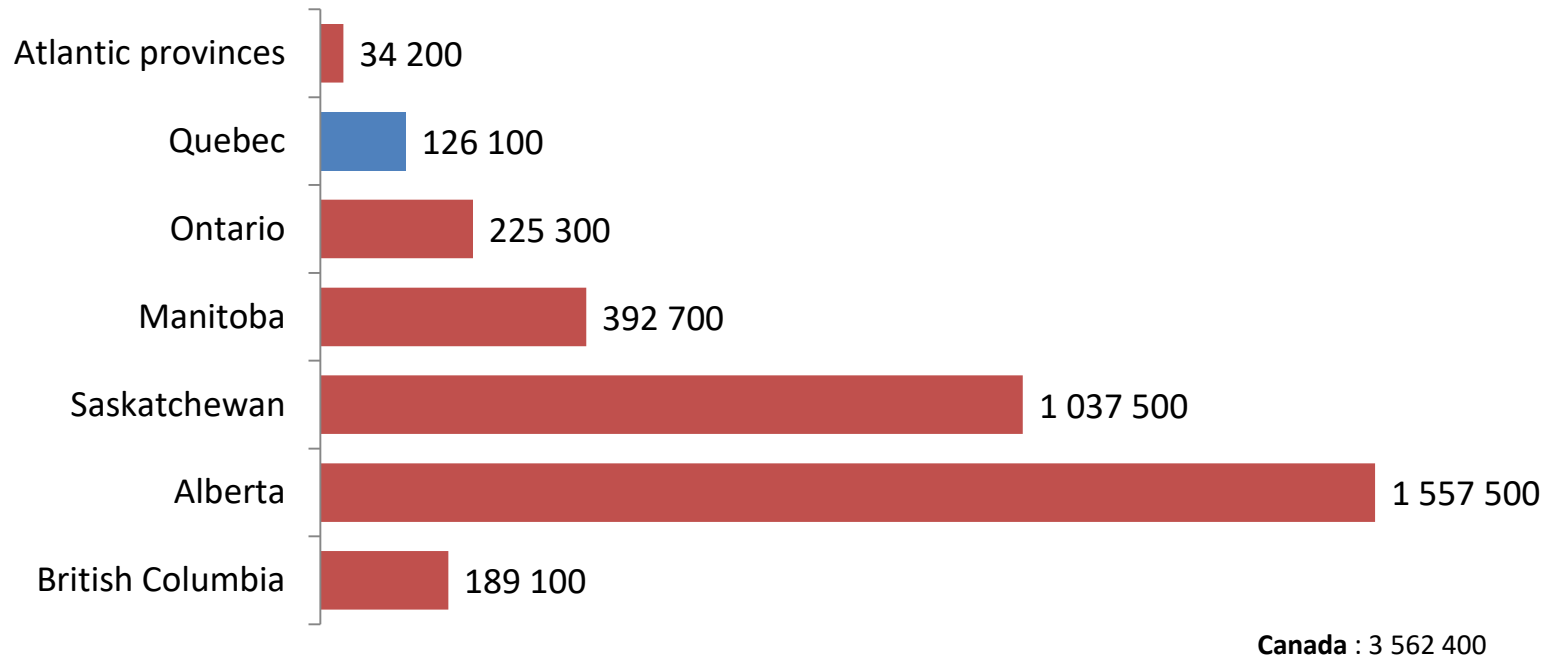
Source :
• Canfax

World top beef importers (% world) - 2021



Source :
• Canfax

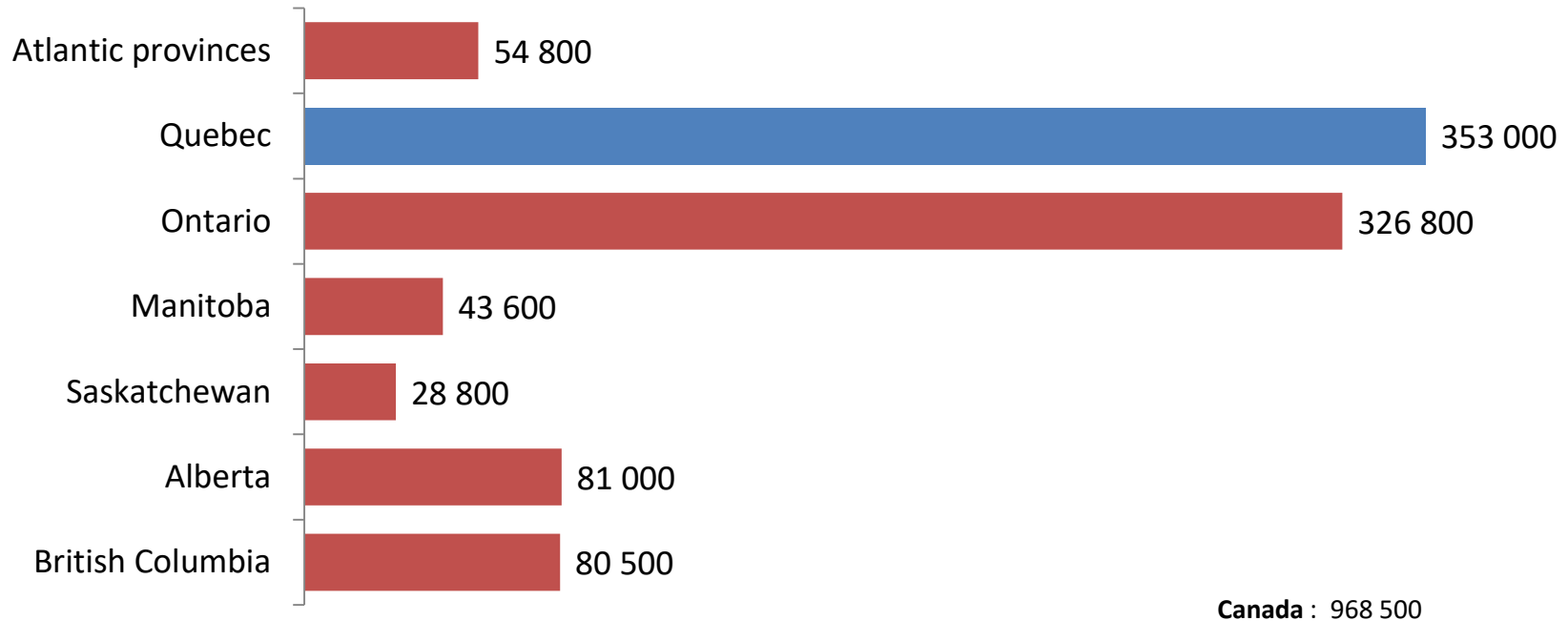
Beef Cow inventory in Canada 2023



Source :

- Statistique Canada

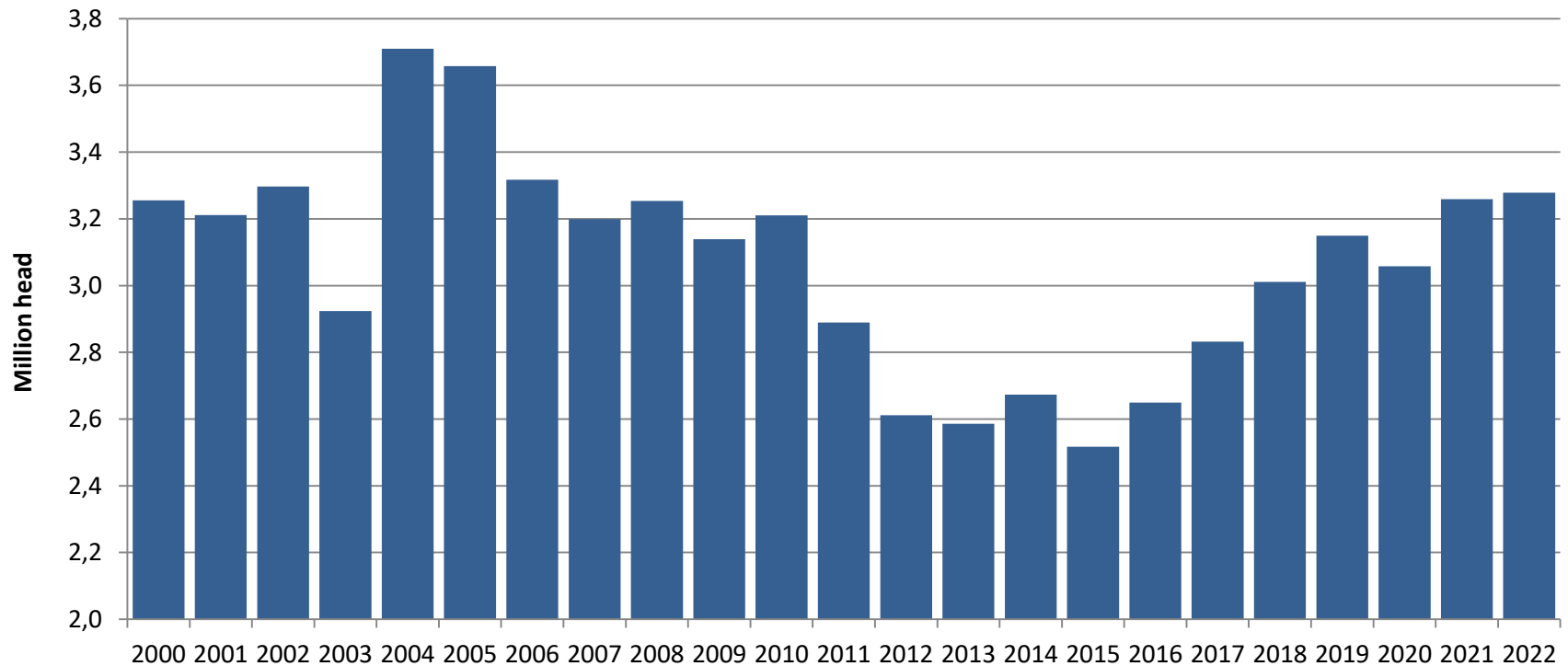
Milk Cow inventory in Canada 2023



Source :

- Statistics Canada

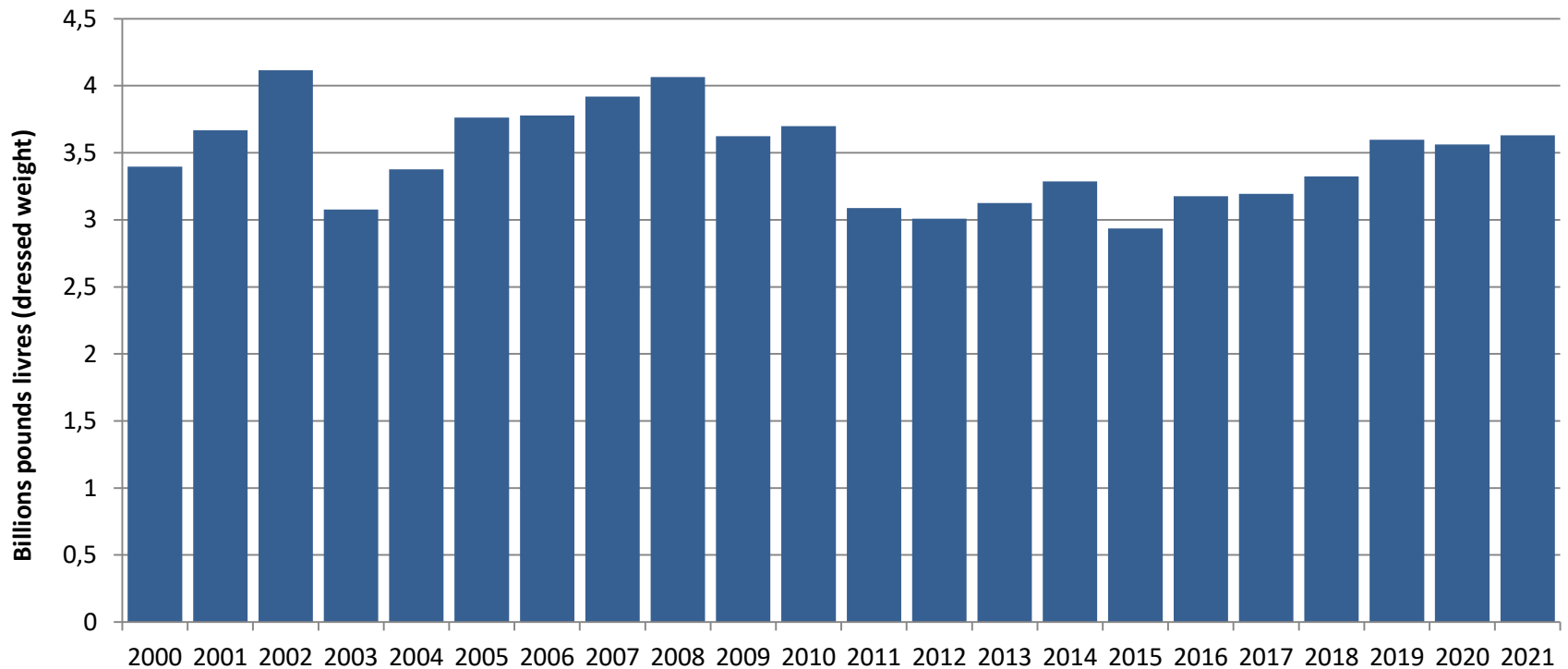
Number of cattle Slaughtered in Federally Inspected Plants



Sources :

- Canadian Beef Grading Agency, AAFC

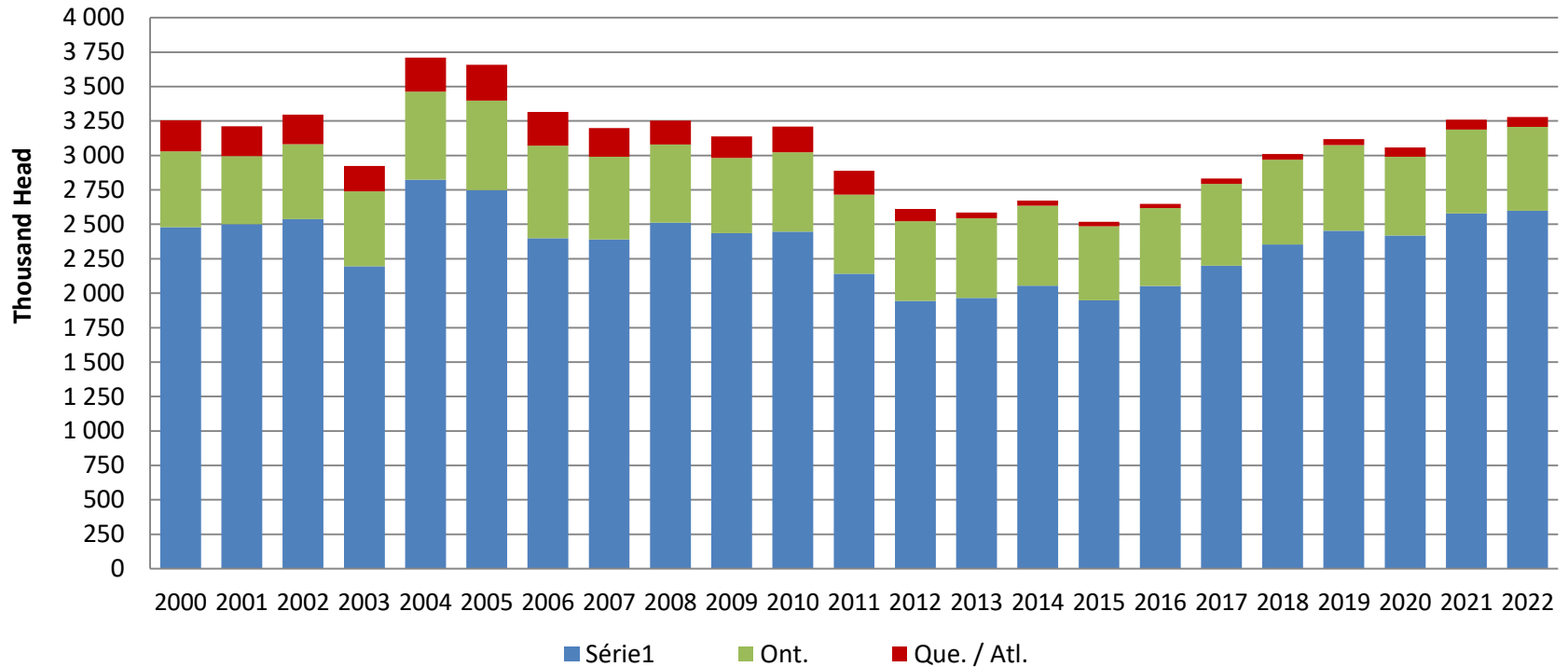
Canadian beef and veal production



Sources :

- Statistics Canada (Edible offal, meat production)

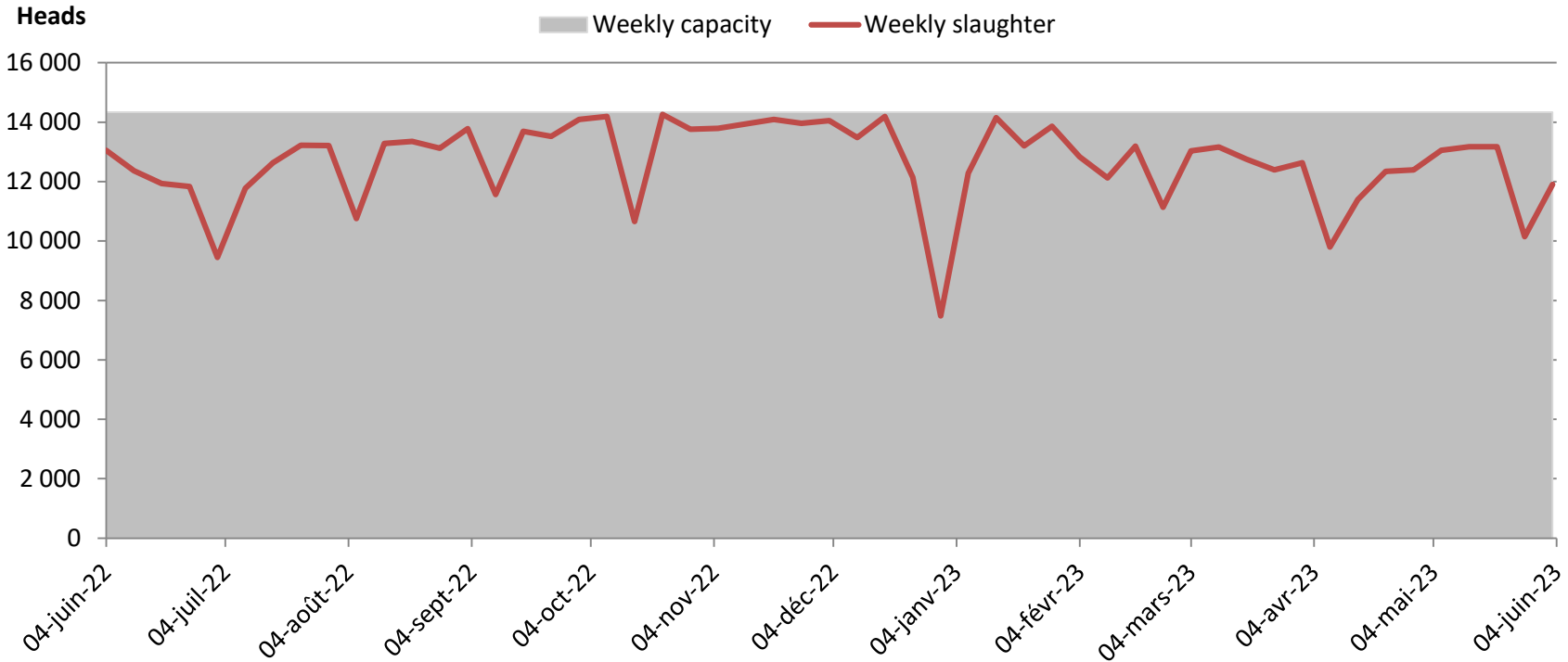
Total annual cattle Slaughter by Region in Canada



Sources :

- ACIA
- Statistics Canada
- PBQ estimate

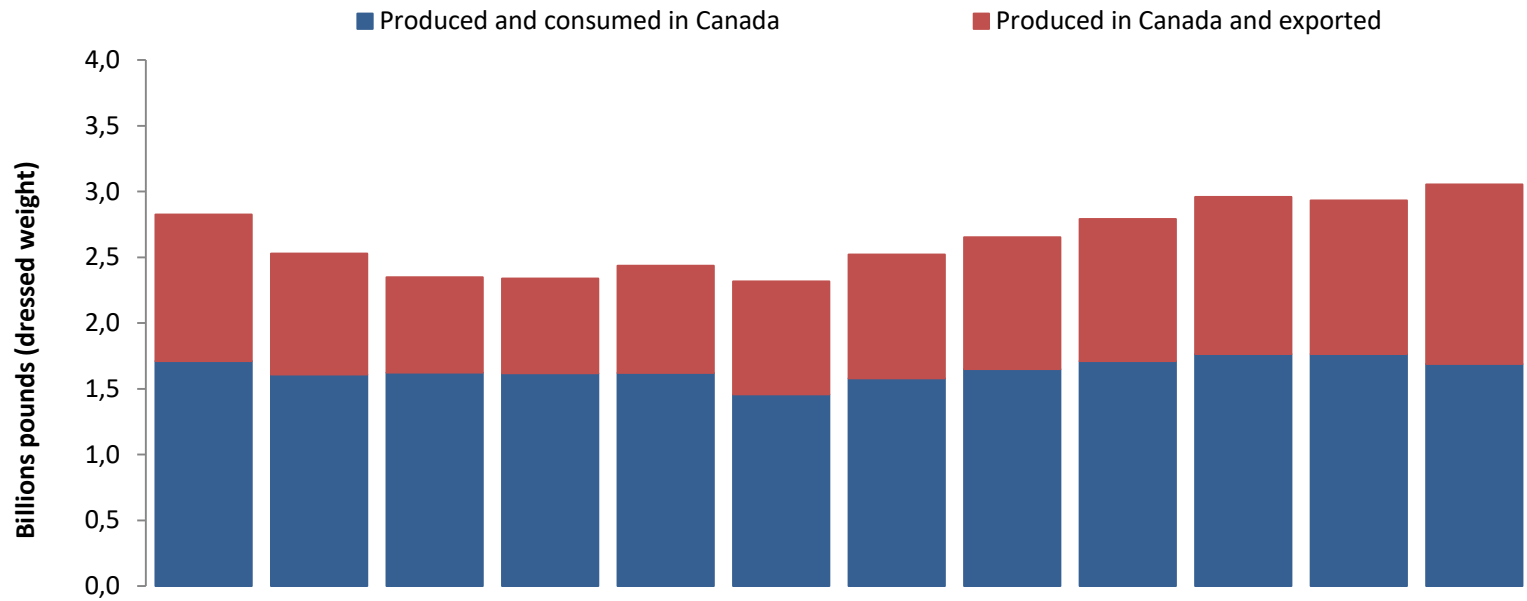
Slaughter capacity and beef production in federally inspected slaughterhouses in Eastern Canada



- Sources :
- ACCB
 - Canfax
 - PBQ estimate

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% Canadian beef and veal production exported

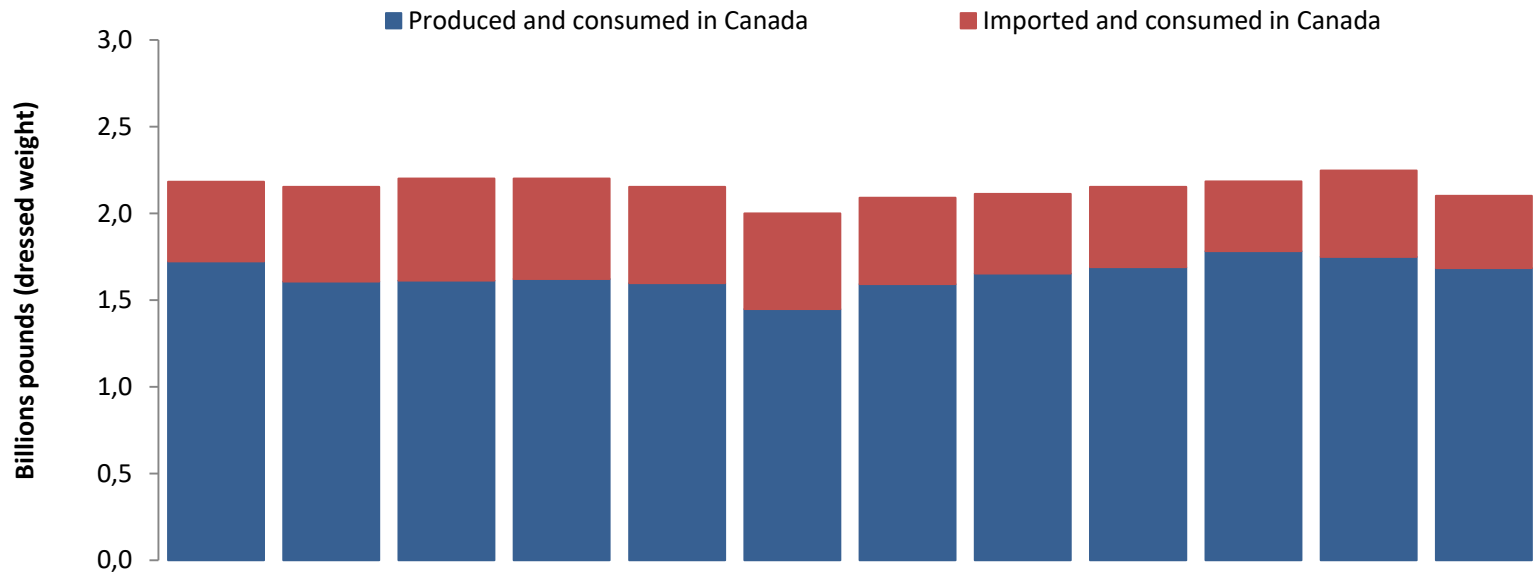


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
% exported / production	39%	36%	31%	31%	33%	37%	37%	38%	39%	40%	40%	45%

Sources :

- Statistics Canada

% Canadian beef and veal consumption imported



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
% imported / consumed	21%	25%	27%	26%	26%	28%	24%	22%	21%	18%	22%	20%

Sources :

- Statistics Canada

Beef and veal meat exports from Canada

Beef and veal meat exports (tonnes)	Jan. 1 - April 30		
	2023	2022	% chg
United States	119 970	114 901	4%
Japan	16 064	19 692	-18%
Mexico	11 567	8 542	35%
South Korea	6 460	9 006	-28%
Vietnam	5 372	5 094	
Hong Kong	1 588	1 187	34%
Ivory Coast	457	464	-2%
Taiwan	573	143	300%
Peru	469	189	148%
Others	3 089	4 158	-26%
Total	165 609	163 376	1%

Sources :

- Statistics Canada, AACF

Beef and veal imports to Canada

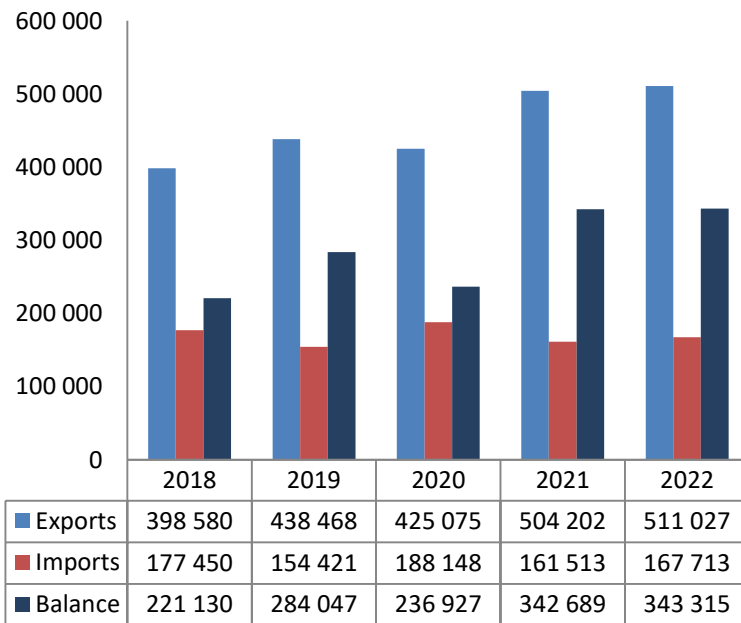
Beef and veal meat imports (tonnes)	Jan. 1 - June 3		
	2023	2022	% chg
United States	42 786	43 978	-3%
Australia	5 691	4 586	24%
Mexico	4 762	4 980	-4%
Uruguay	4 714	4 604	2%
New Zealand	4 243	4 258	0%
Brazil	2 615	646	305%
Others	4 399	10 601	-59%
Total	69 209	73 652	-6%

Sources :

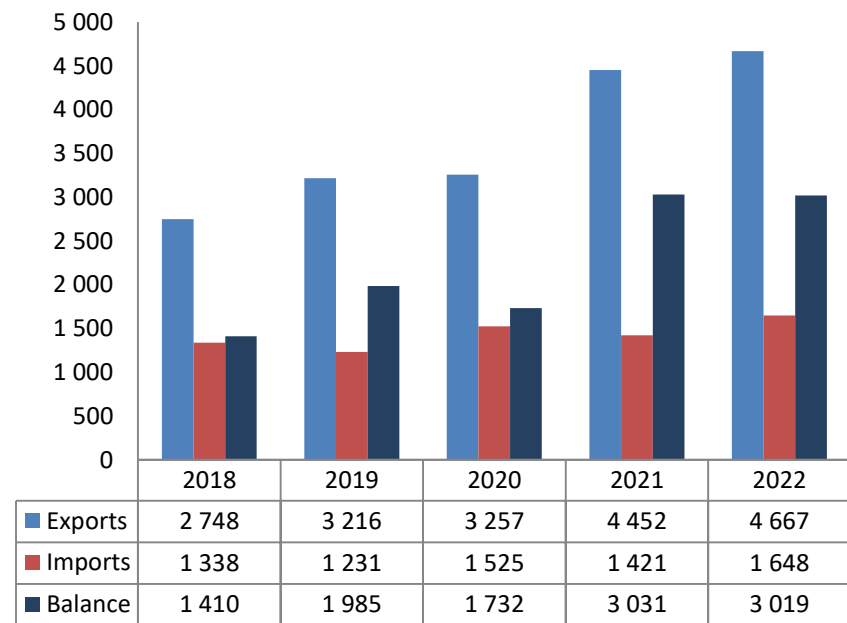
- Statistics Canada, AACF

Imports and exports of beef and veal, Canada (kg, \$CA) 2017-2021

Trade balance in tonnes



Trade balance in M\$ CAD



Sources :

- Statistics Canada, AACF

Veal exports from Canada

Veal exports (tonnes)	Jan. 1 - April 30		
	2023	2022	% chg
United States	1 296	1 148	13%
United Arab Emirates	65	65	1%
Qatar	5	0	-
Autres	0	3	-
Total	1 366	1 216	12%

Sources :

- Statistics Canada, AACF

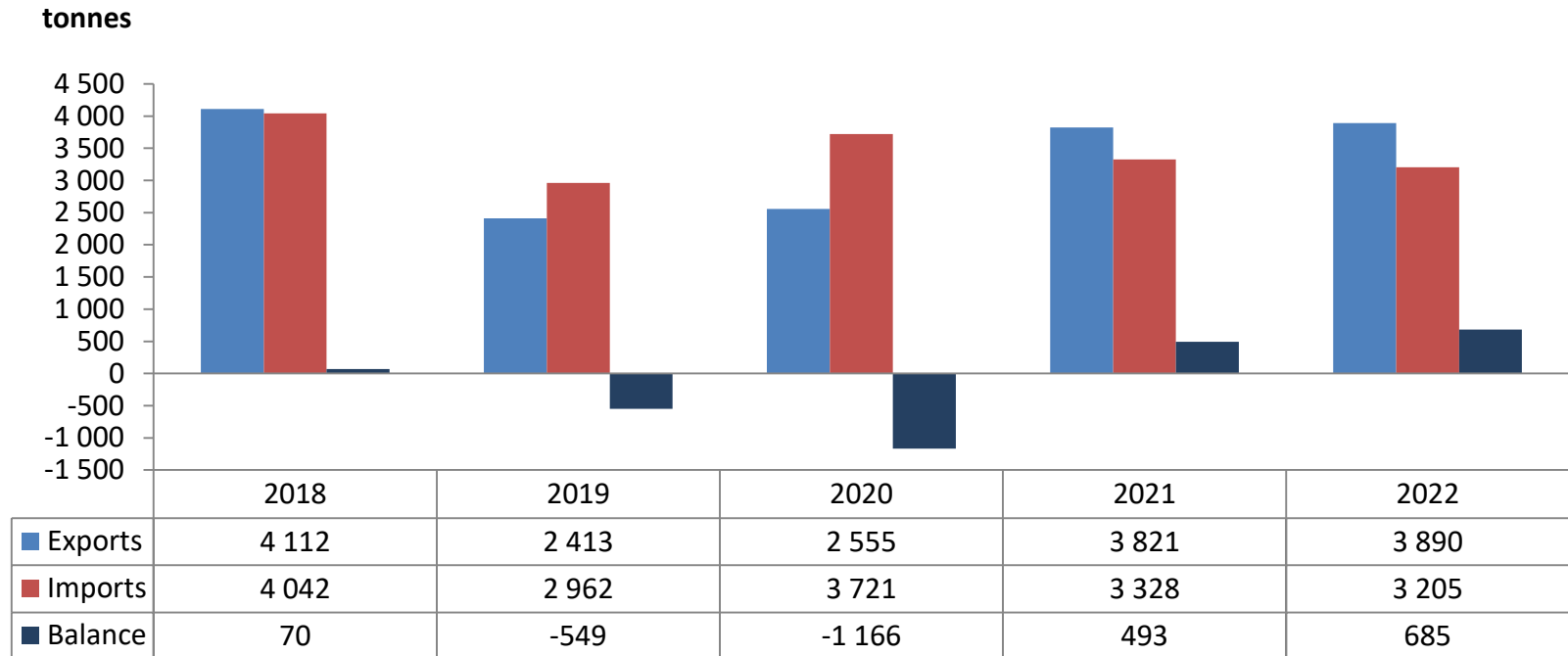
Veal imports to Canada

Veal imports (tonnes)	Jan. 1 - June 3		
	2023	2022	% chg
United States	389	212	83%
New Zeland	32	139	-77%
Australia	0	0	
European Union - 27			
Netherland	232	246	-6%
Others	79	84	-6%
Total	731	682	7%

Sources :

- Statistics Canada, AACF

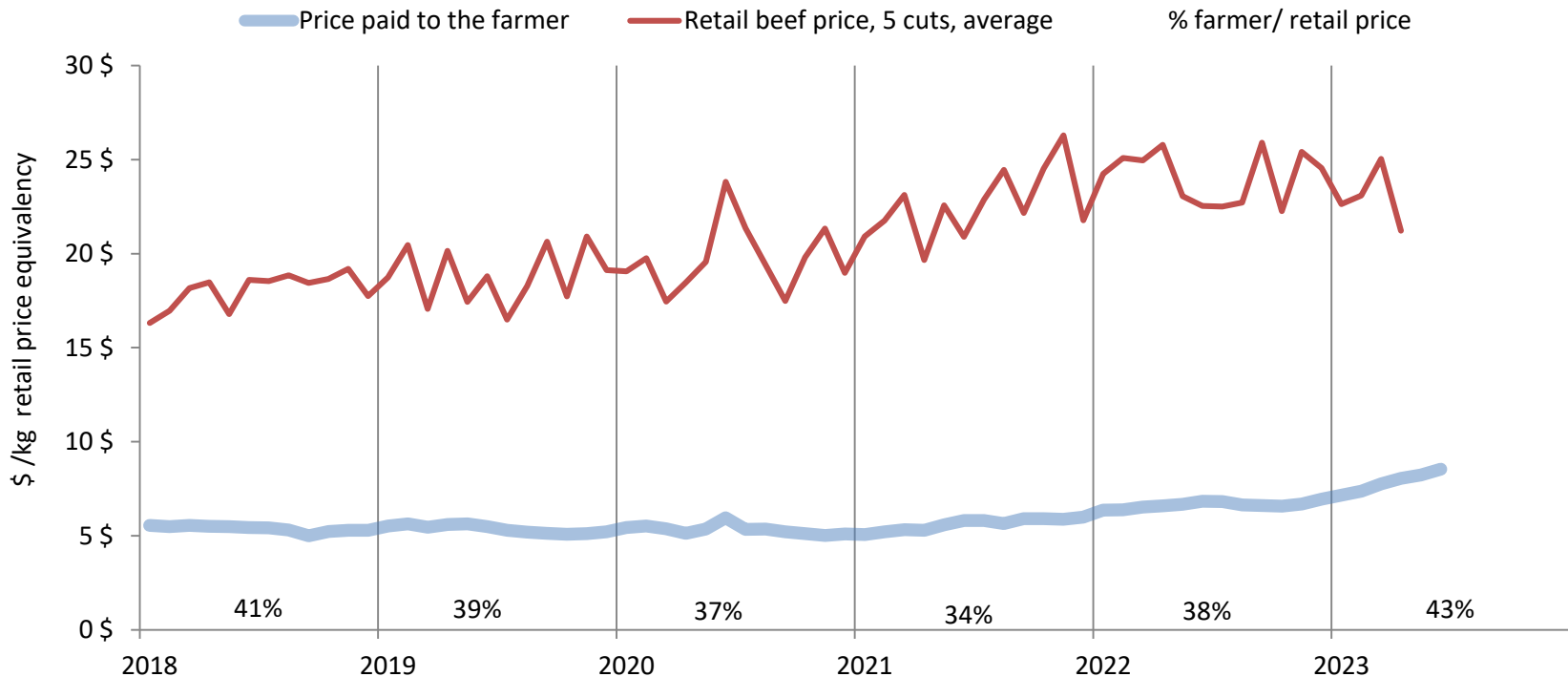
Imports and exports of veal, Canada annual data (tonnes) 2017-2022



Sources :

- Statistics Canada, AACF

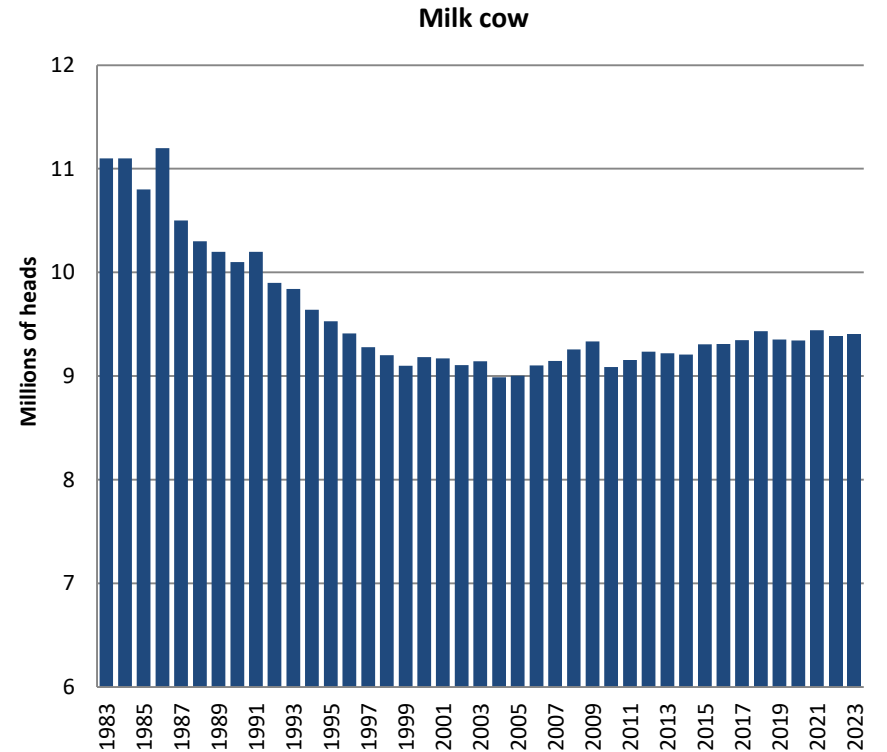
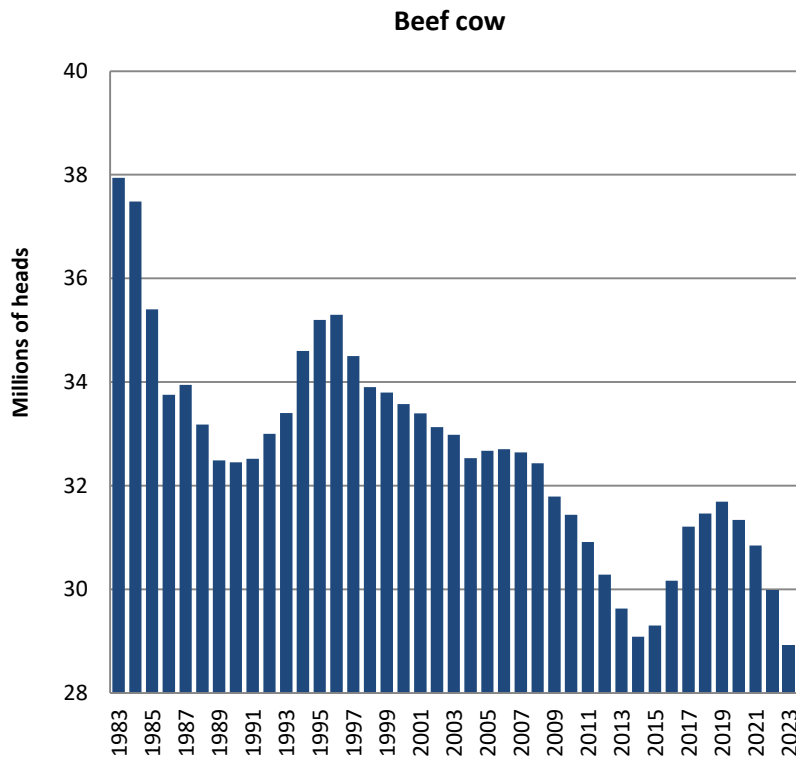
Beef price cuts vs price paid to the producer



Sources :

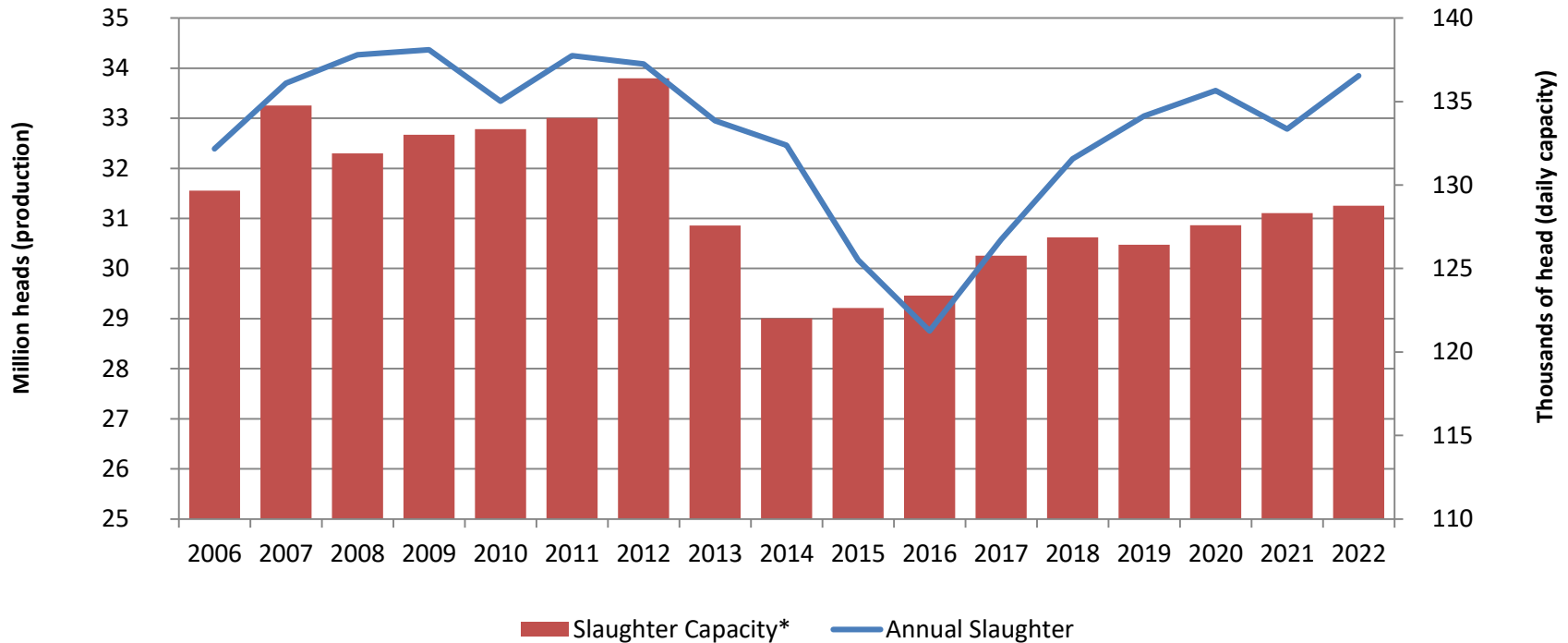
- Statistics Canada for retail prices average arithmetic 5 cuts (beef stewing, beef striploin, beef top sirloin, beef ribs, ground beef)
- PBQ for producer price (46% yield to bring live price back to retail price)

Beef cow and milk cow inventory in United-States



Source :
 • USDA

Slaughter capacity vs cattle production in United-States

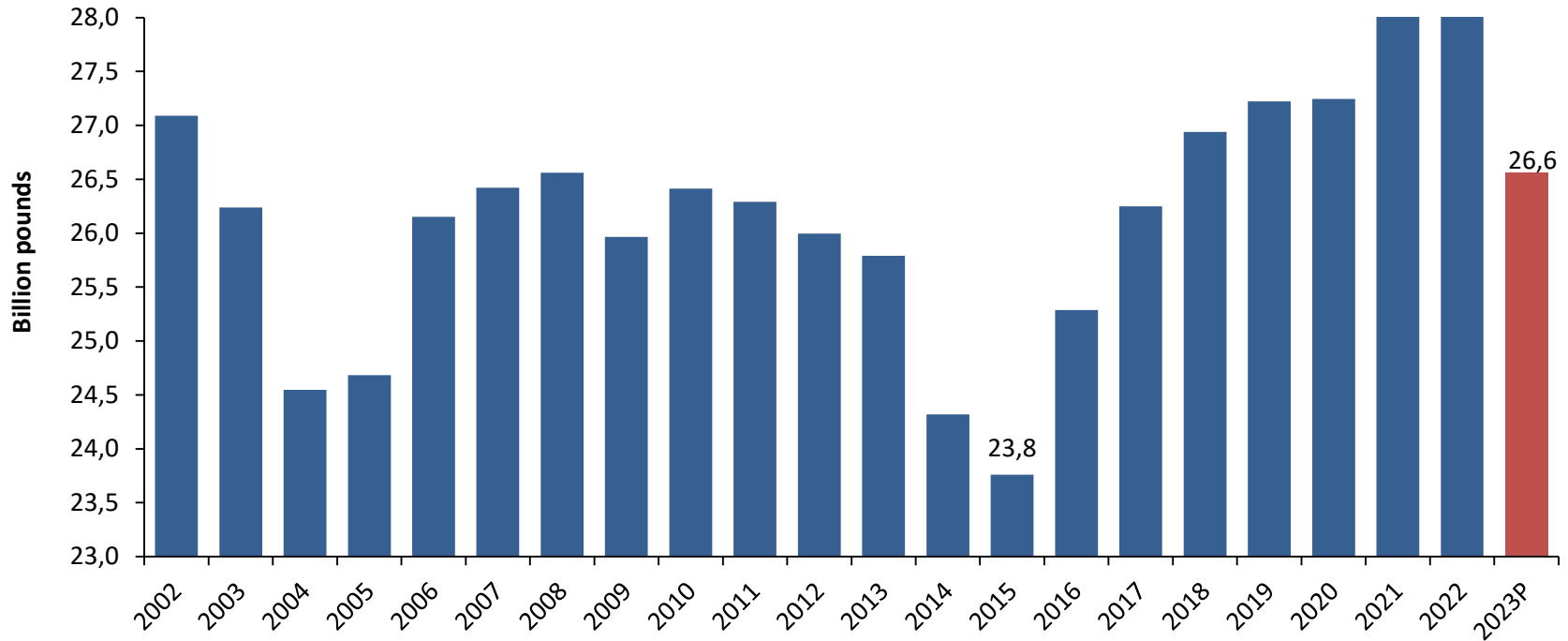


*Daily slaughter capacity of the 30 largest slaughterhouses in the United States

Source :

- USDA
- Cattle Buyers Weekly

Beef production in United-States

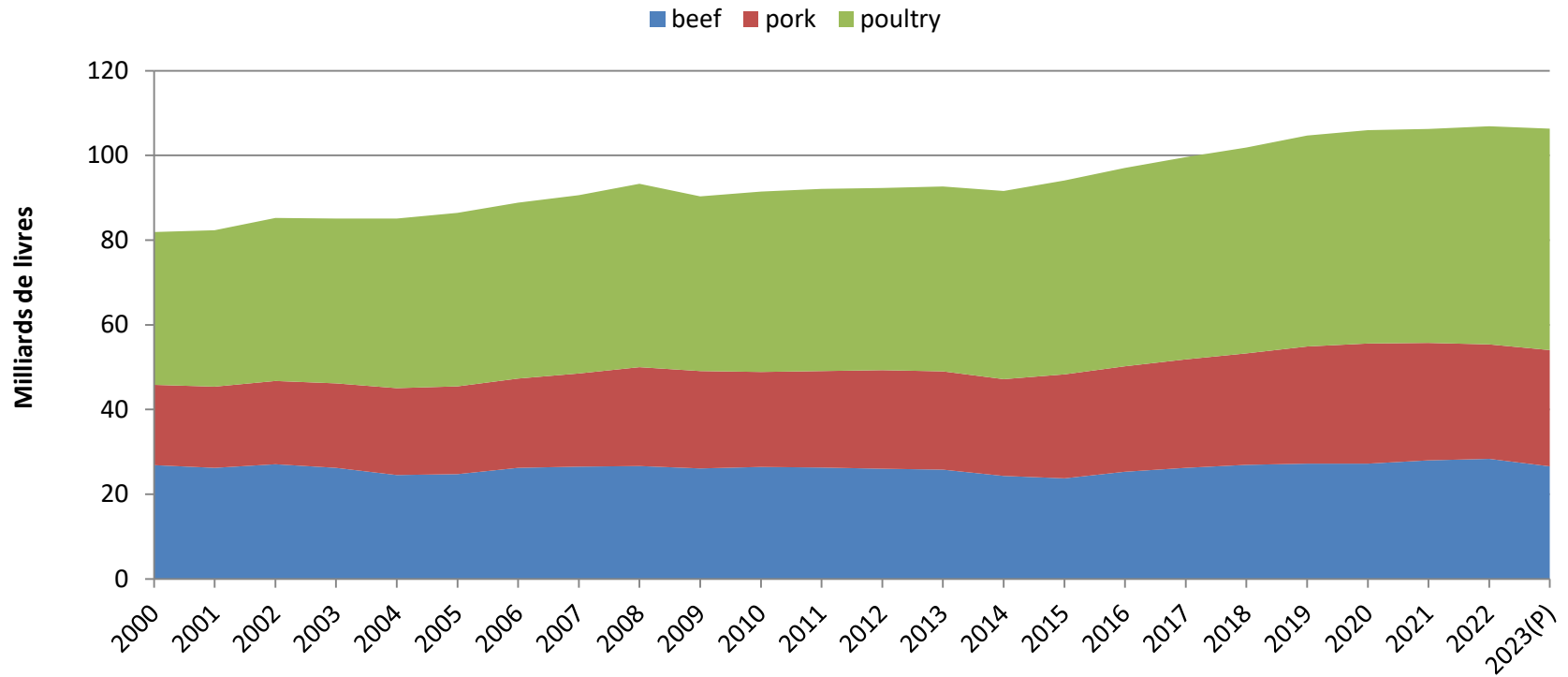


Sources :

- USDA and WASDE projection



Beef – pork –poultry production in United-States

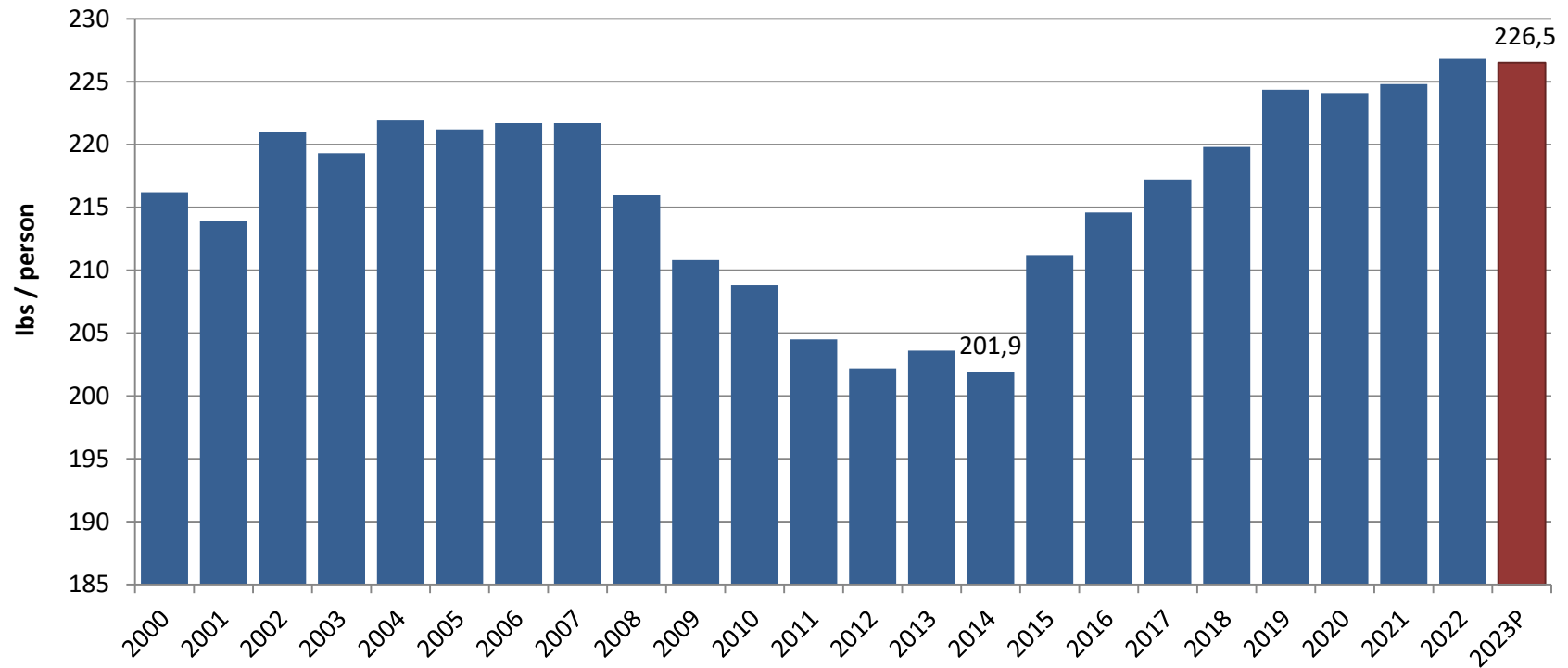


Sources :

- USDA

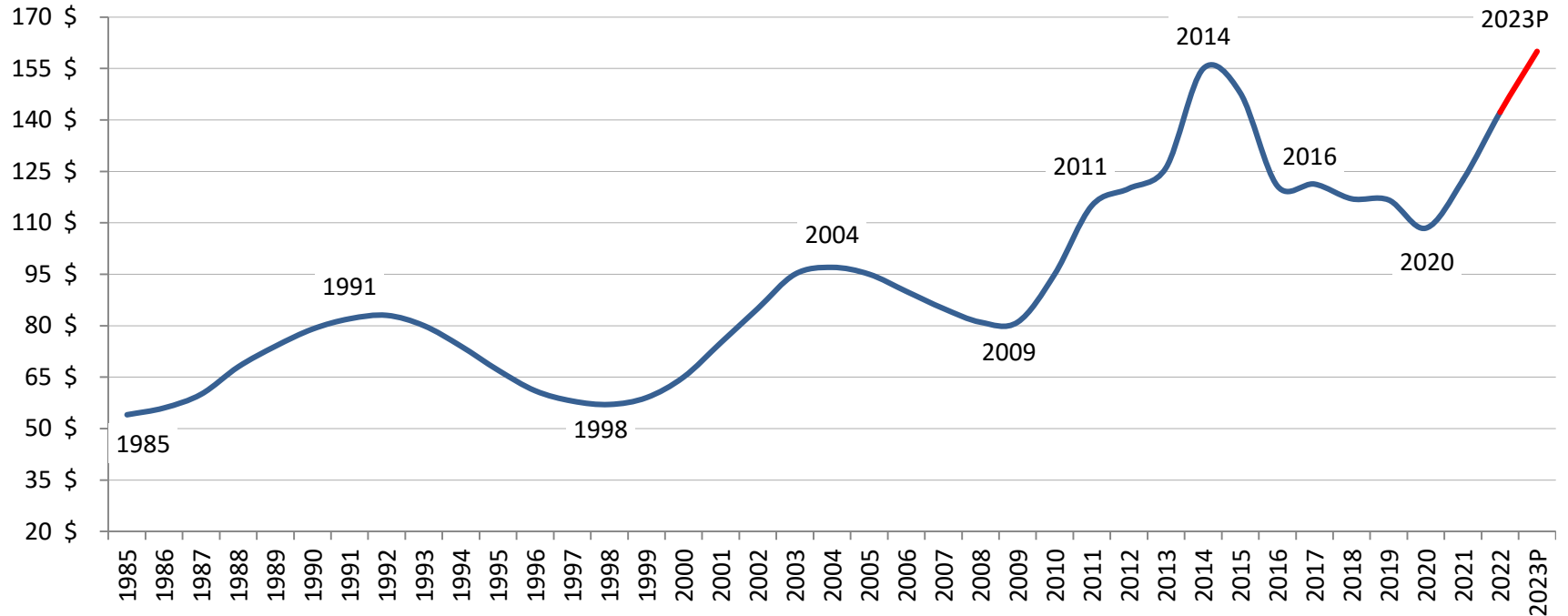


Beef – pork – poultry Consumption per capita in United-States (lb)



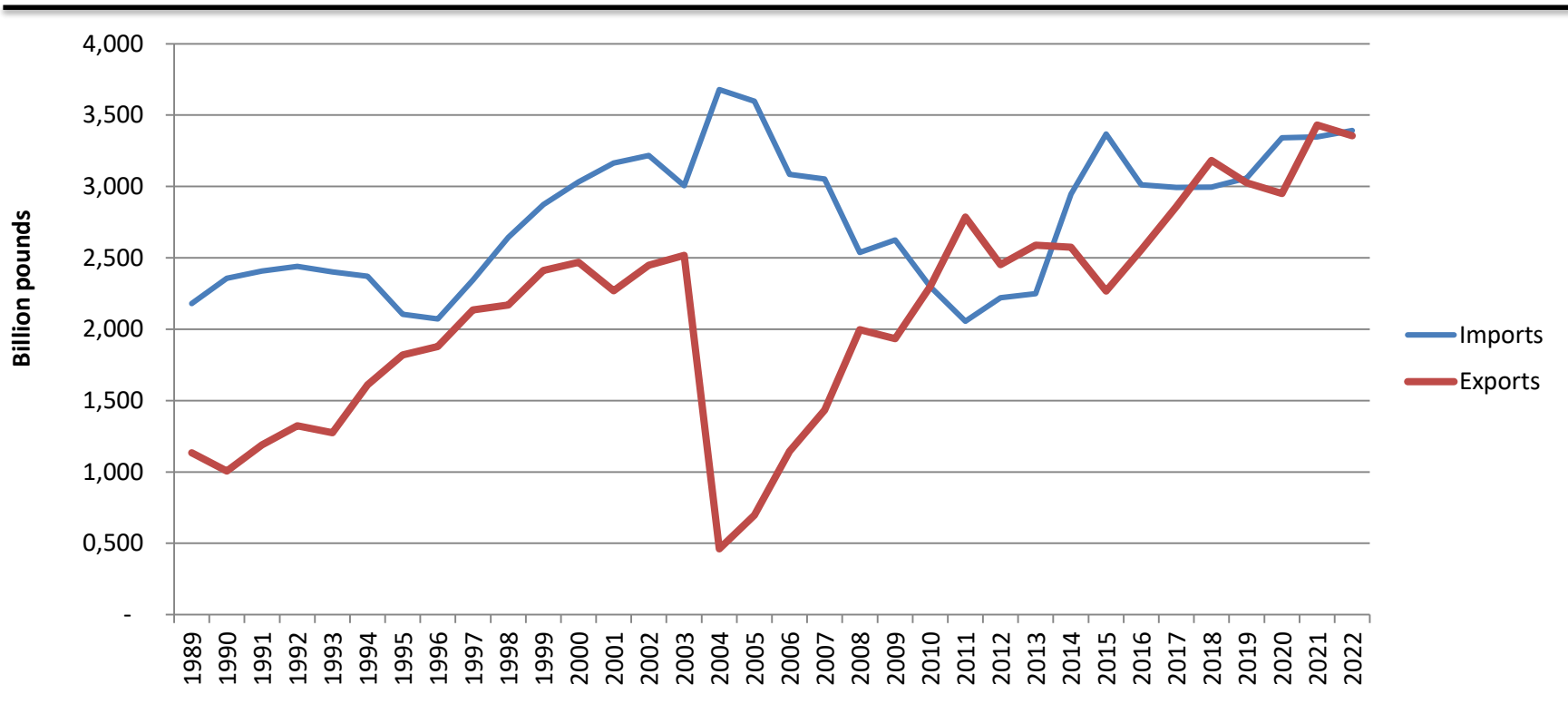
Source :
• USDA

Cattle price cycle in United-States



Sources :
• CattleFax

Beef imports and exports in United-States



Sources :

- USDA et Cattlefax

Short term outlook

- Since the beginning of the year, the price of cuts has increased by nearly 15%. Producer prices have increased by more than 25%. This testifies to the strength of the market, but also to the consequent improvement in the bargaining power of producers. This is the first time since 2015 that producers have taken more than 46% of the consumer's dollar.
 - Producer prices are setting new records throughout June. The combination of excellent seasonal demand and lower supply is pushing the carcass pound price past \$4. Given the deterioration of the economic situation and the expected drop in demand, these price levels are not sustainable. However, the drop in supply should be enough to keep producer prices high.
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Long term outlook

- The cattle herd in the United States and Canada is in a contraction phase of the cattle cycle. With the drought still present in certain cow-calf producing regions, the reconstruction of the herd is not yet relevant. The decline in herds that began in 2019 will lead to a significant drop in beef production at least until 2025.
 - Measures taken to fight inflation will lead to an economic slowdown that will likely hurt consumer demand for beef products. However, the resilience of global demand and especially the decline in North American beef supply should support the market in the medium and long term.
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PRODUCTEURS DE BOVINS DU QUÉBEC

Sources :

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

Links:



Maxime d'Almeida, M.Sc. | Economic advisor
Les Producteurs de bovins du Québec - UPA

Thank you!

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