

A GLANCE AT BEEF AND VEAL MARKET

January 2021

Les Producteurs
de bovins du
Québec



A GLANCE AT BEEF AND VEAL MARKETS

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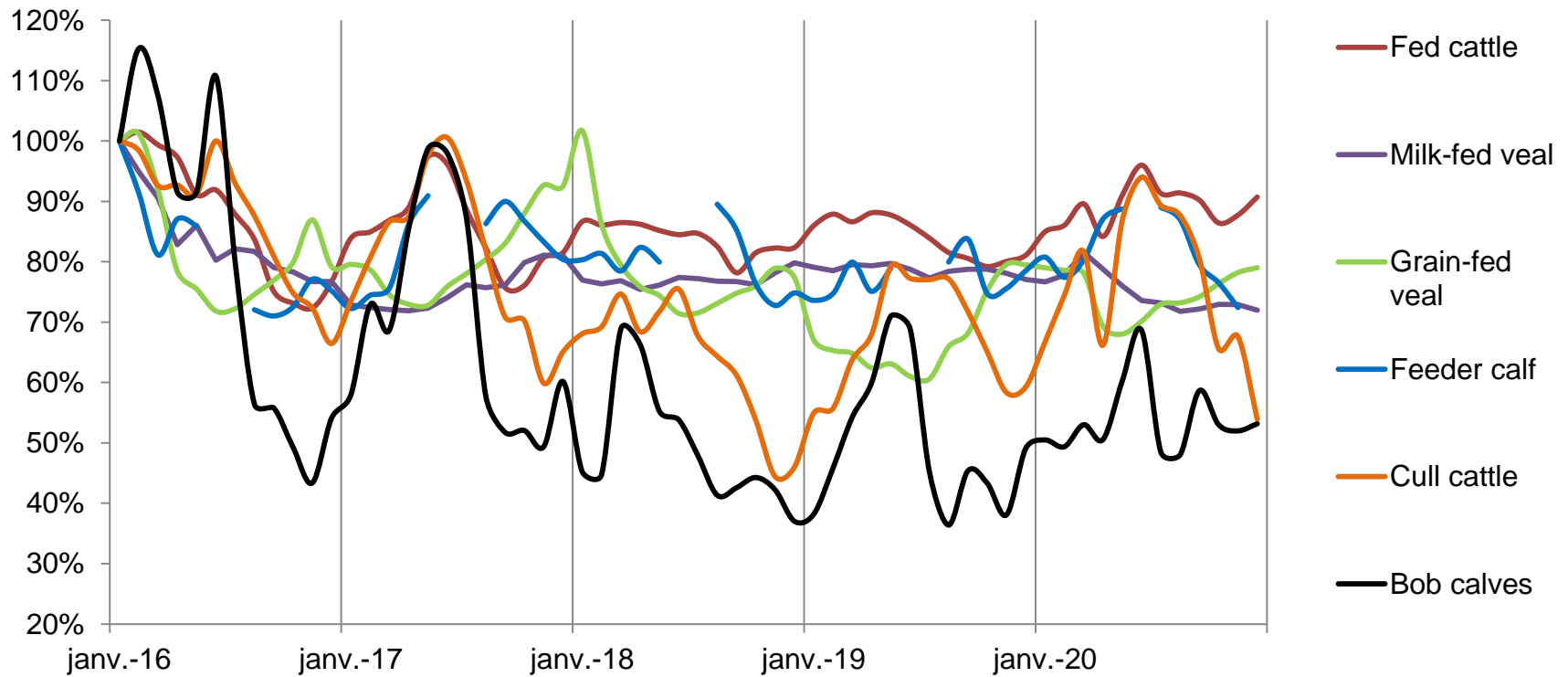


Slaughter volume (head) in 2020

		Canada			United-States
		West	East	Total	Total
Steers and heifers	2020	2 099 933	535 945	2 635 878	25 124 000
	% chg 2019	2 %	- 4 %	0 %	- 3 %
Cows and bulls	2020	317 635	103 598	421 233	6 795 000
	% chg 2019	- 24 %	- 2 %	- 20 %	- 2 %
Milk fed and grain fed calves	2020			161 368	178 573
	% chg 2019			- 2 %	- 7 %

Source :
AAFC (Year to date)

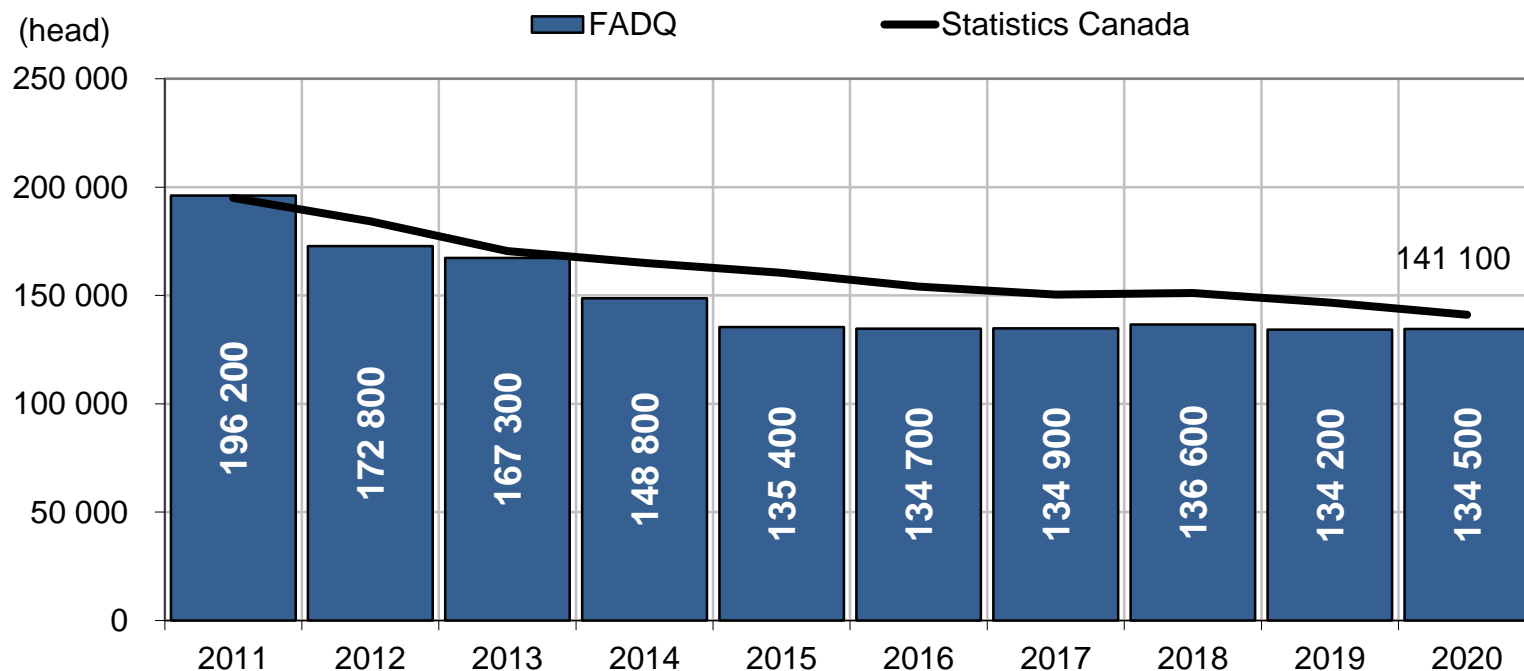
Price variation of cattle in Quebec since January 2016



Source :
• PBQ

Feeder calf

Number of beef cows in Quebec

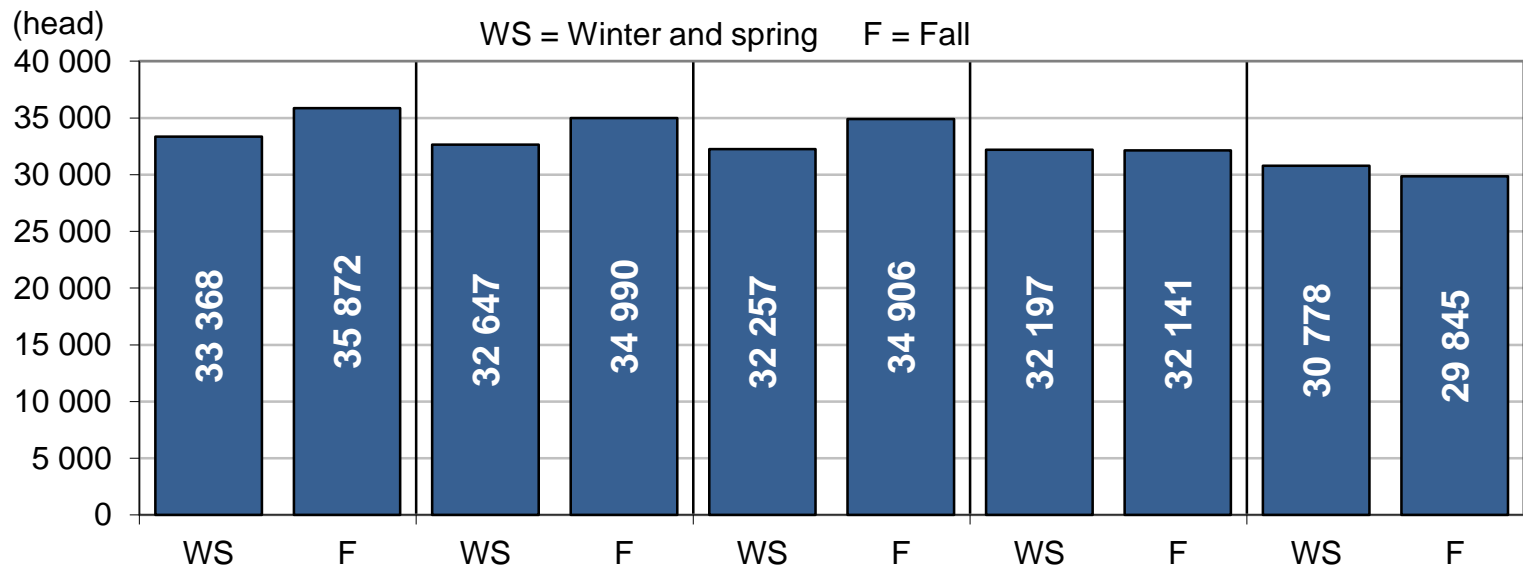


Sources :

- 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)



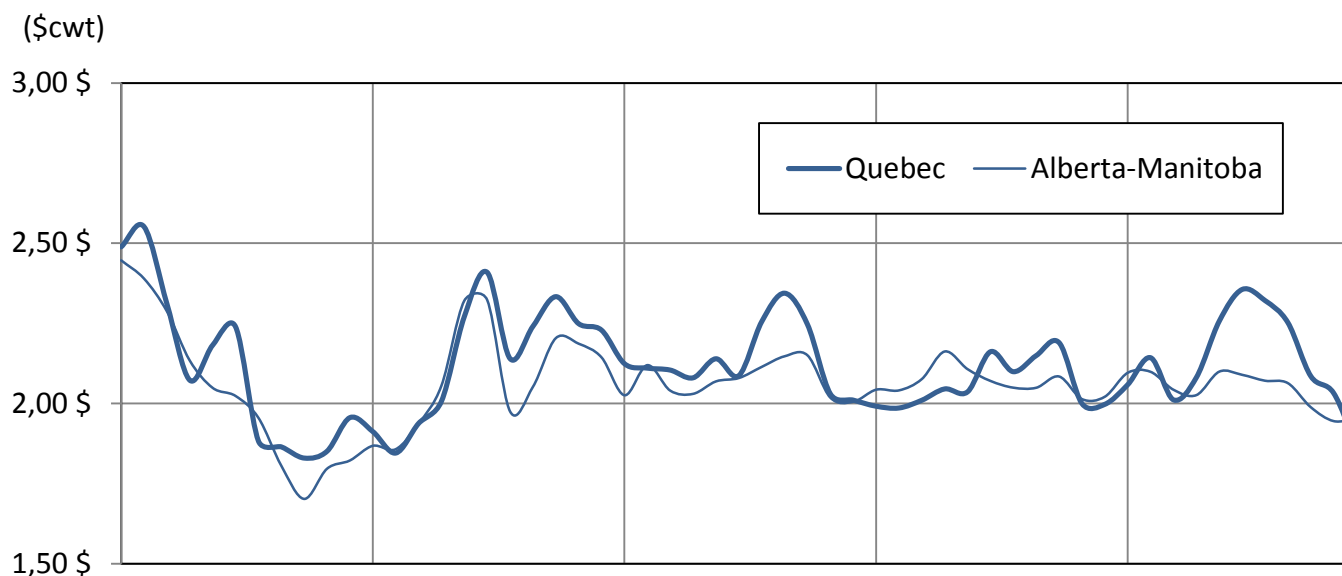
	2016	2017	2018	2019	2020
Head	69 240	67 637	67 163	64 338	60 623
Weight (lb)	658	659	657	664	667

* 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



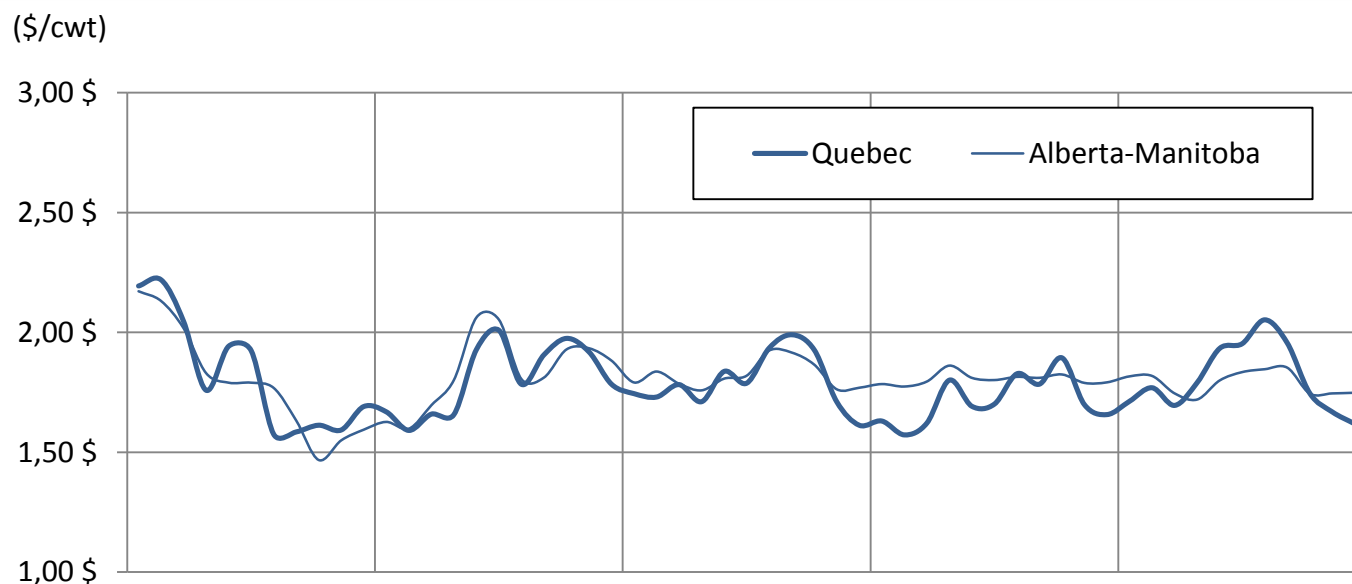
	2016	2017	2018	2019	2020
Quebec	2,11 \$	2,14 \$	2,14 \$	2,06 \$	2,13 \$
Que-(Alb-Man)	0,07 \$	0,06 \$	0,07 \$	0,00 \$	0,09

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



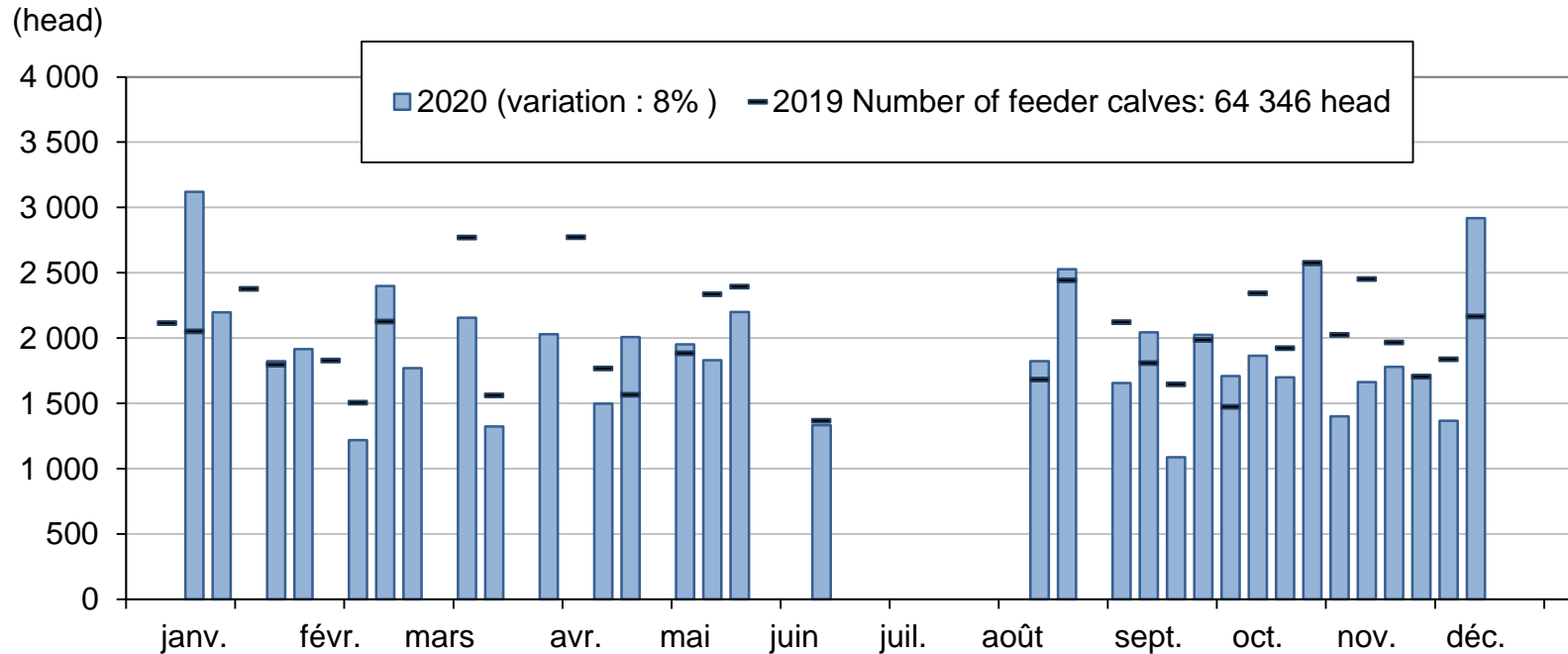
	2016	2017	2018	2019	2020
Quebec	1,79 \$	1,84 \$	1,82 \$	1,72 \$	1,81 \$
Que-(Alb-Man)	0,04 \$	-0,03 \$	-0,02 \$	-0,09 \$	0,02 \$

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

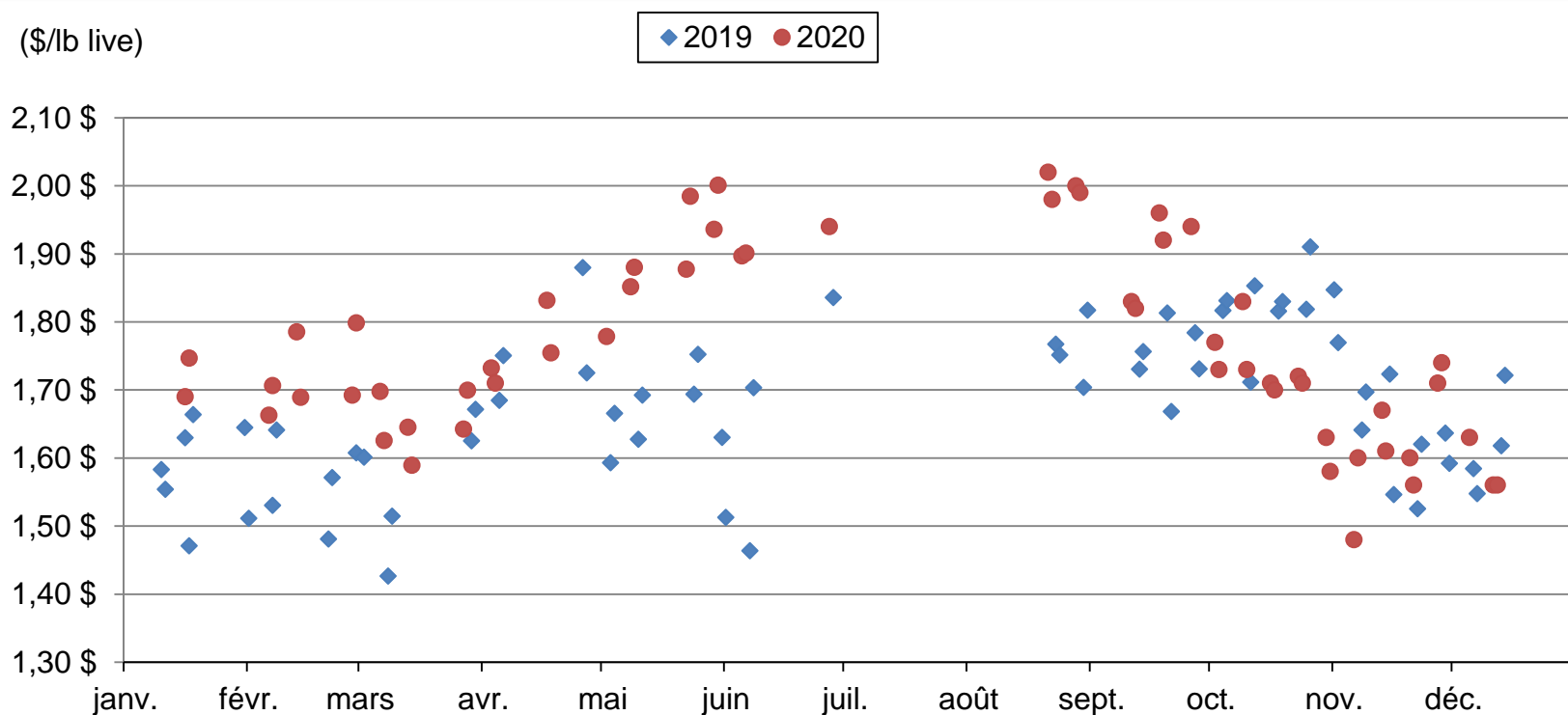
Number of feeder calves in Quebec specialized auctions 2019-2020



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

Feeder calf

Price of female feeder calves (600-700 lb) Quebec specialized auctions 2019-2020

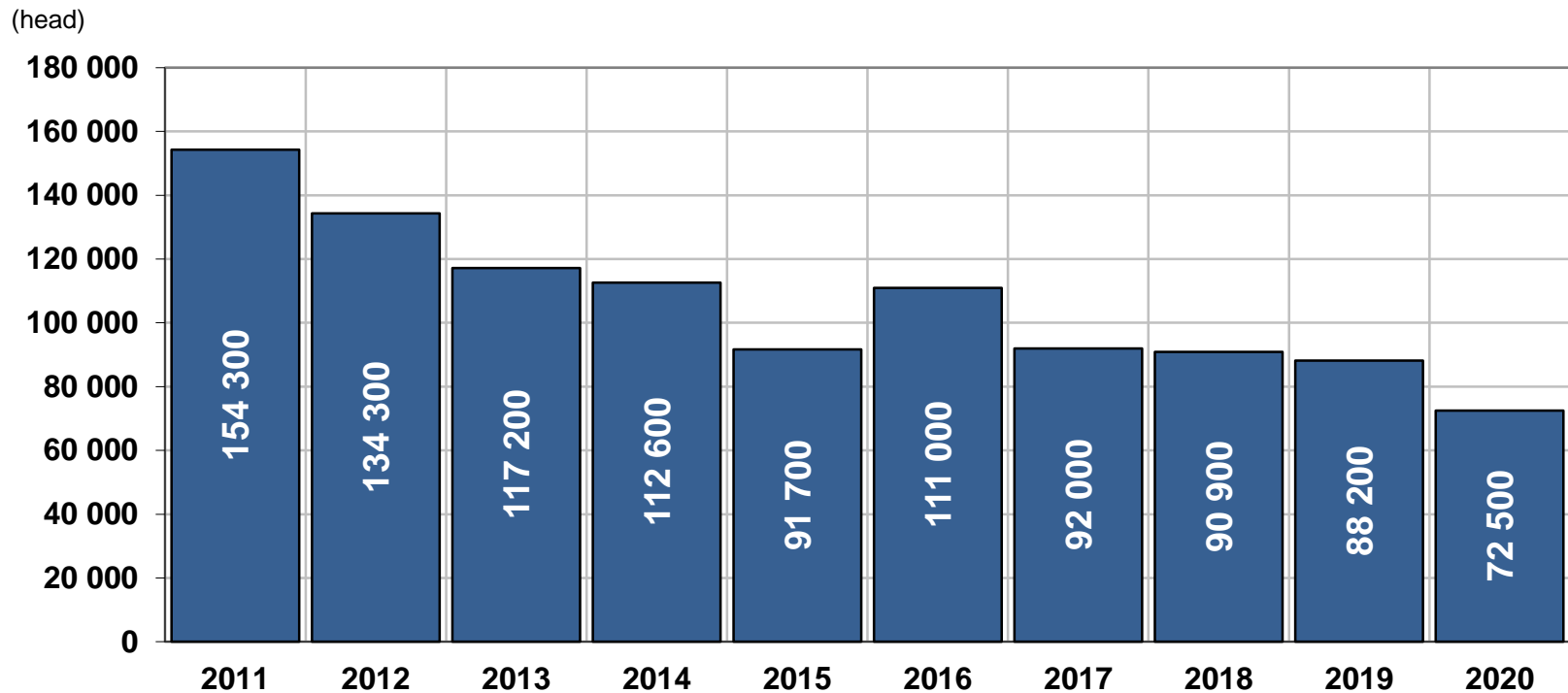


Sources :

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

Fed cattle

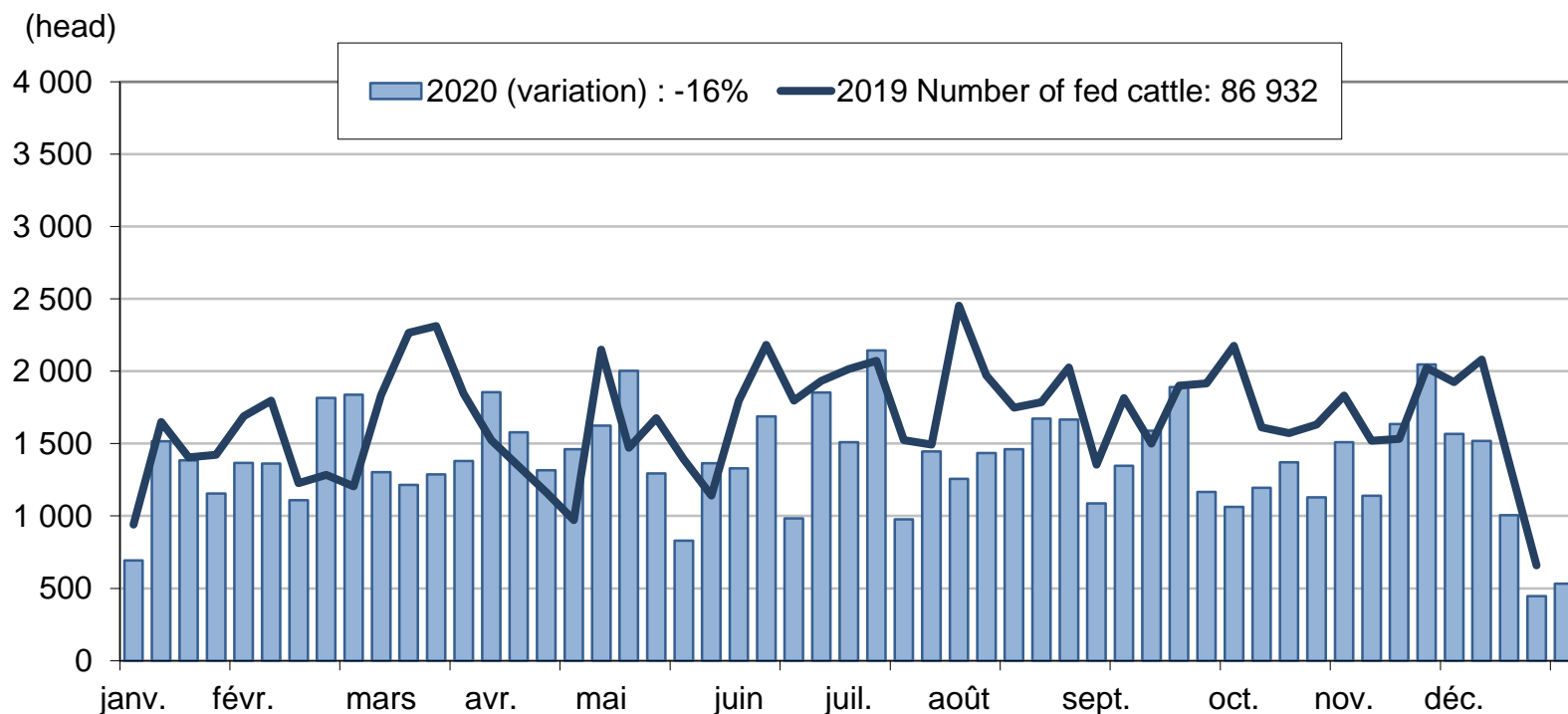
Number of cattle fed in Quebec



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

Fed cattle

Number of cattle fed in Quebec 2019-2020



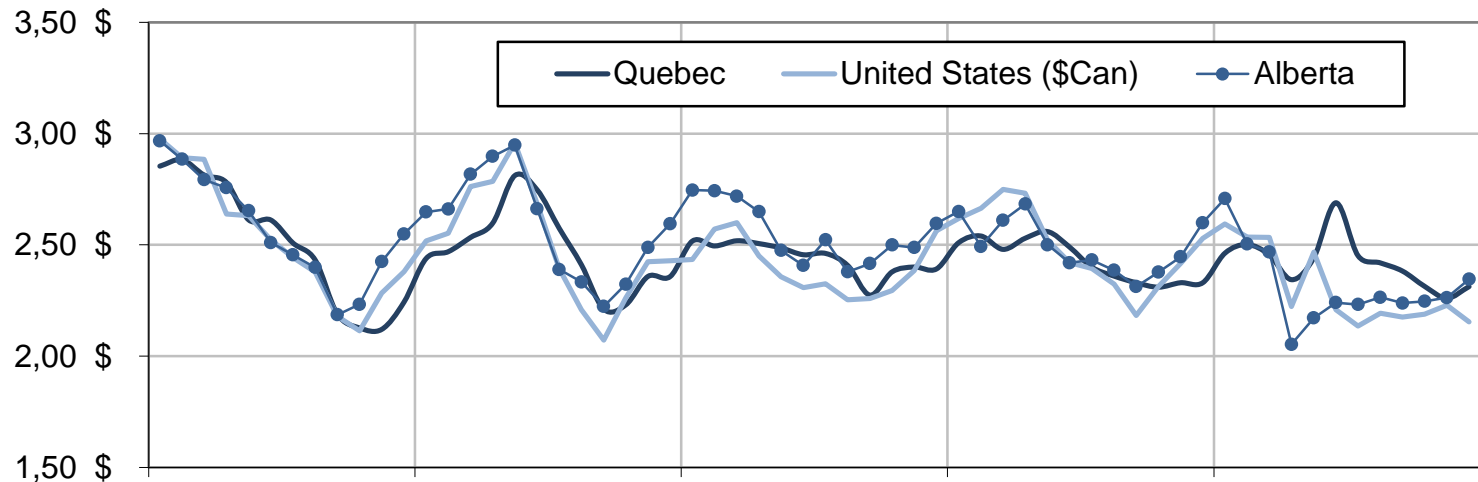
Source:

- 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)



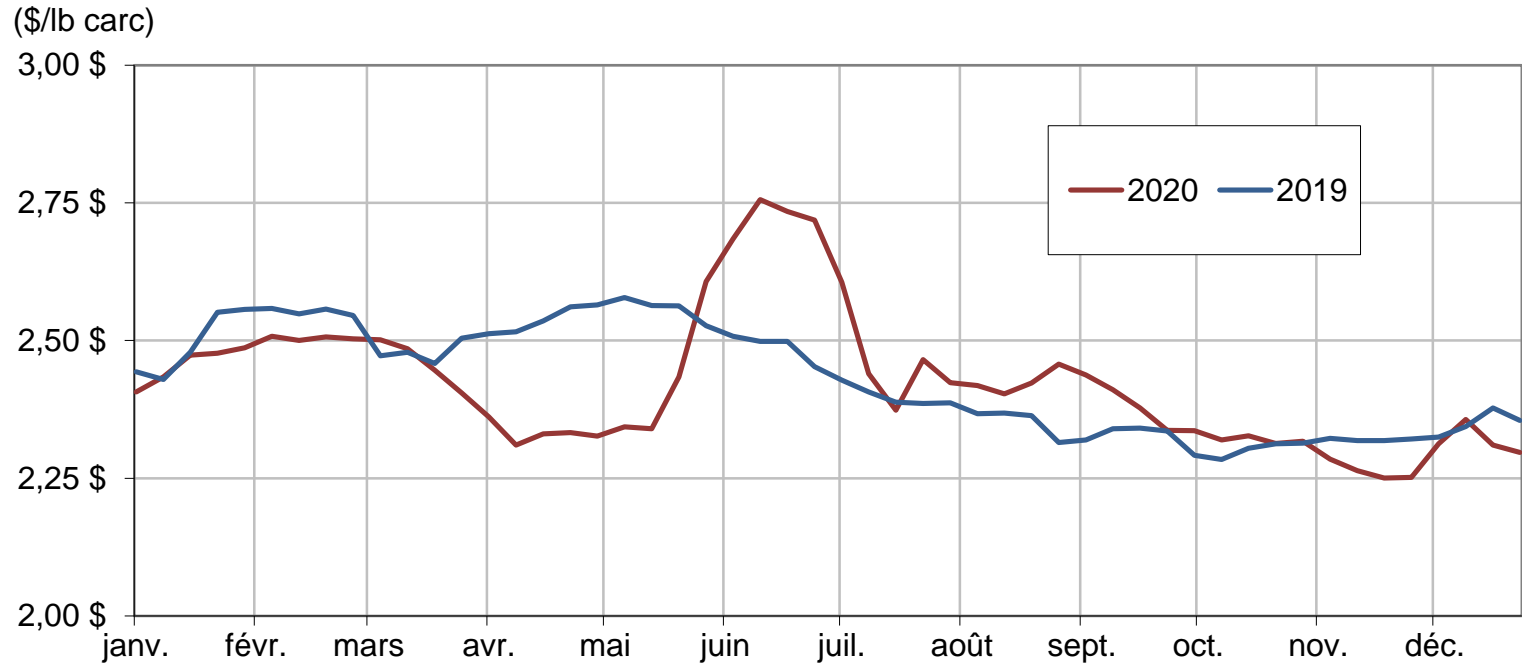
	2016	2017	2018	2019	2020
Quebec	2,74 \$	2,48 \$	2,44 \$	2,43 \$	2,42 \$
Que-Ont	0,00 \$	-0,05 \$	-0,01 \$	-0,03 \$	0,05 \$
Que-US	-0,01 \$	-0,03 \$	0,04 \$	-0,06 \$	0,12 \$
Que-Alb	-0,05 \$	-0,10 \$	-0,11 \$	-0,06 \$	0,11 \$

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 2019-2020

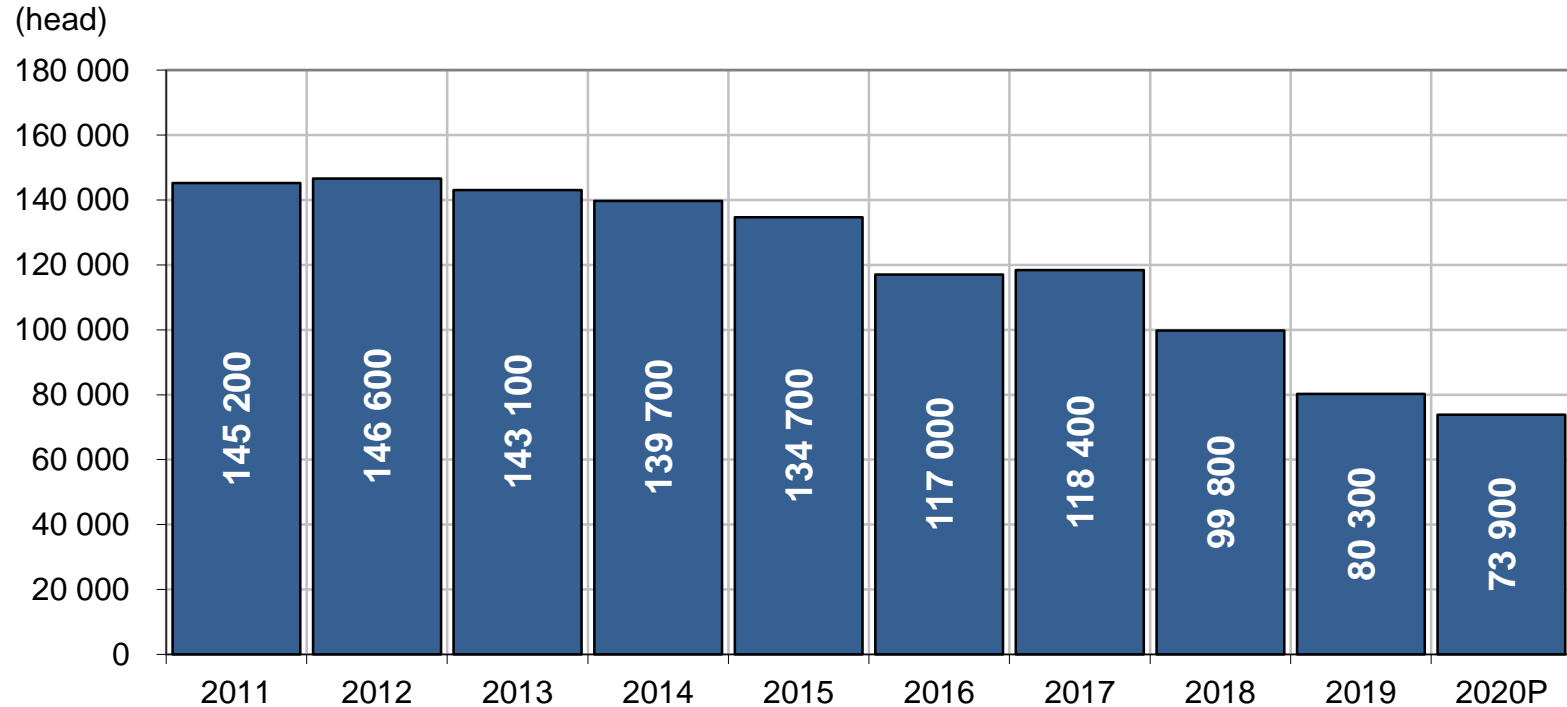


Sources :

- 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

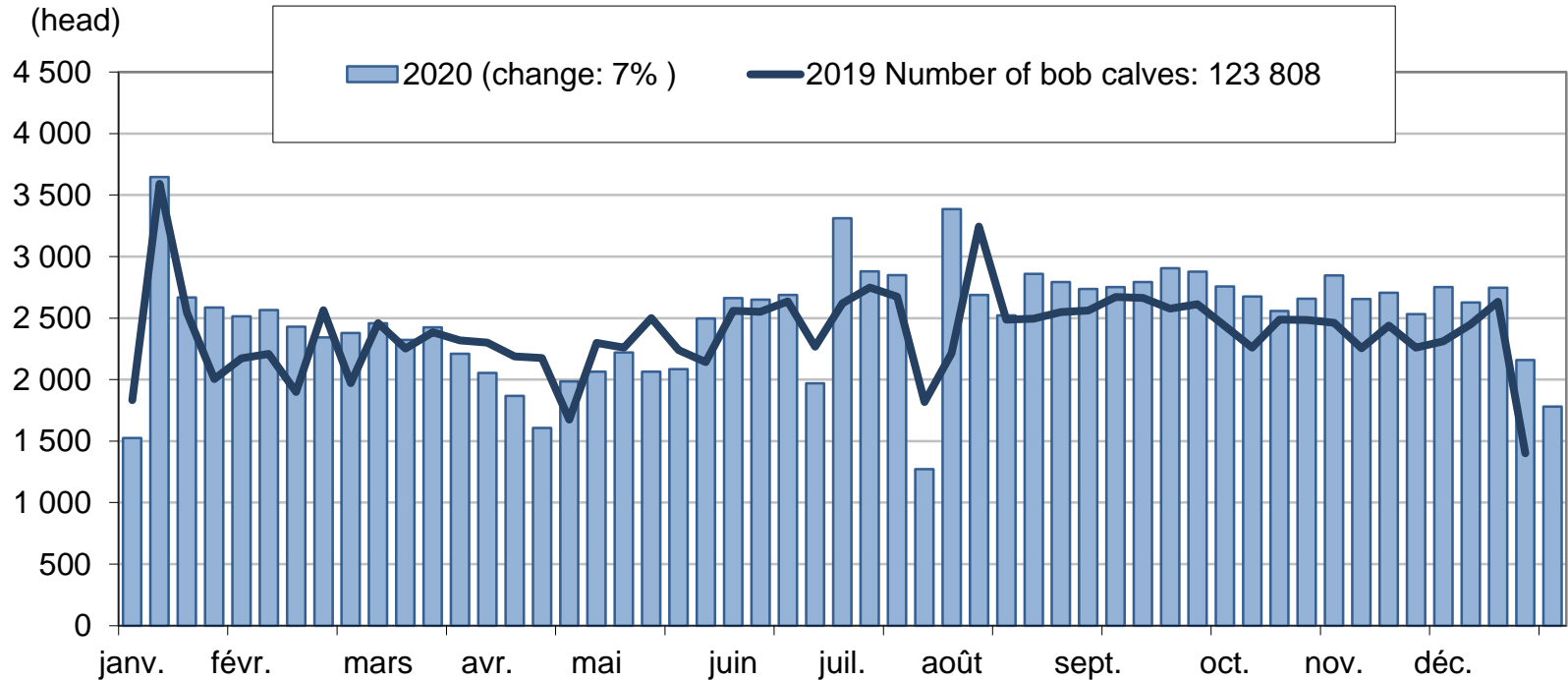


Sources :

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

Milk-fed veal

Number of calves fed in Quebec 2019-2020

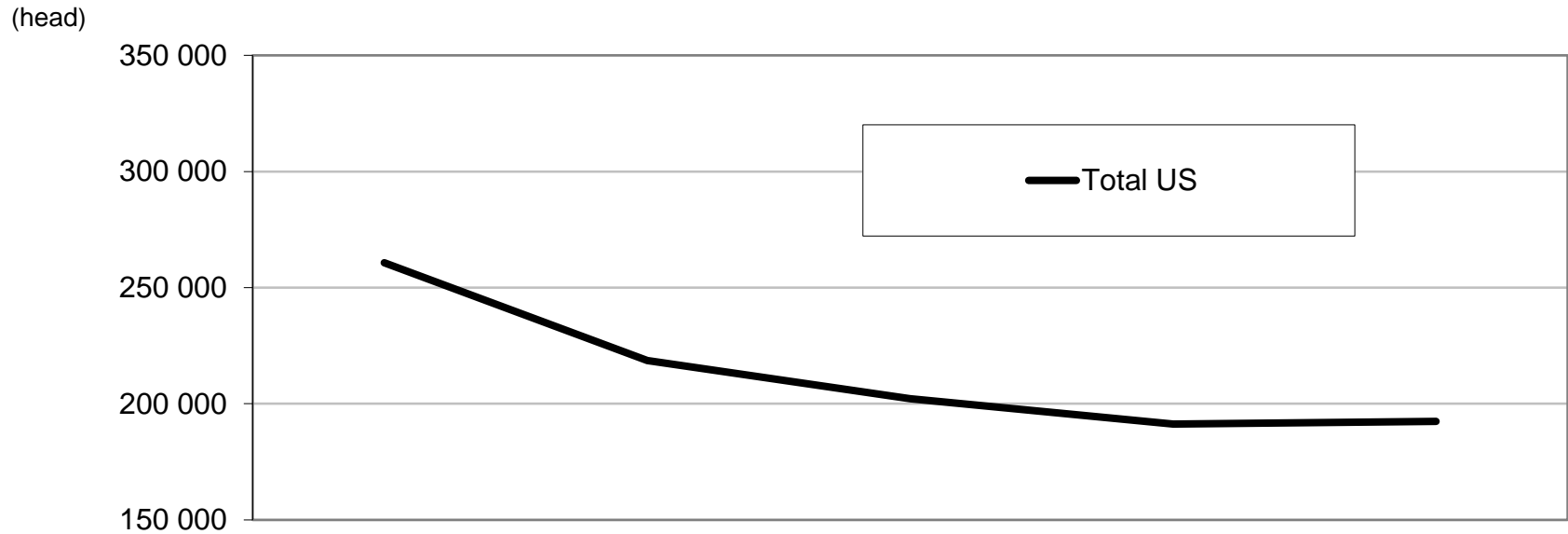


Sources :

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

Milk-fed veal

Number of calves slaughtered in United-States



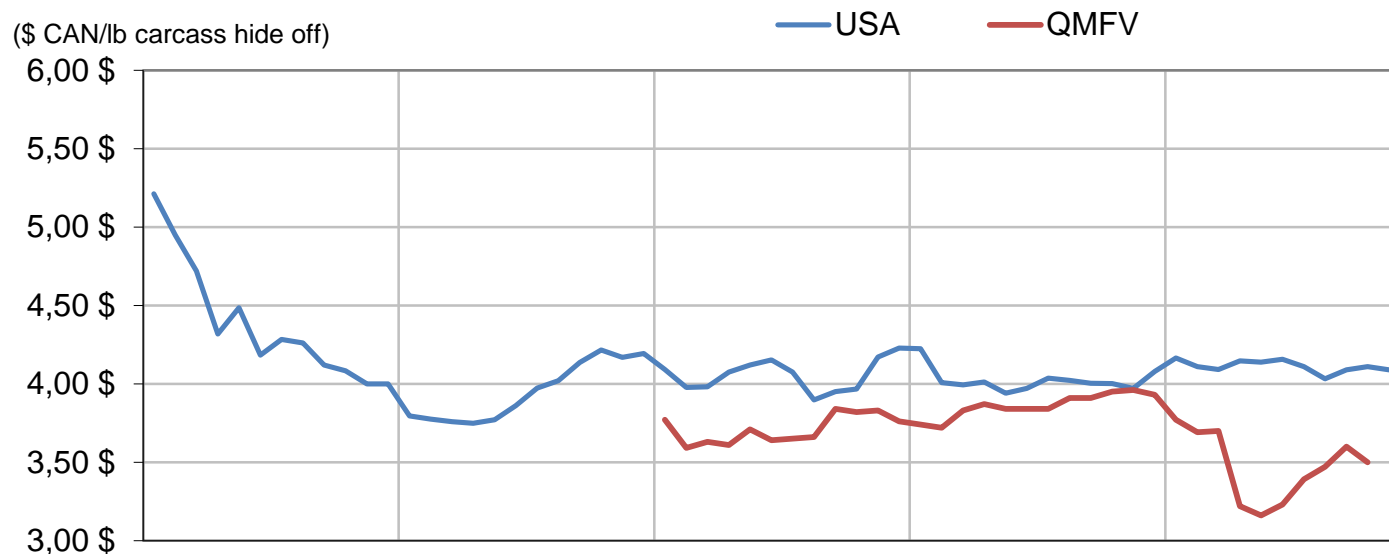
	2015	2016	2017	2018	2019
Total US	260 678	218 628	202 206	191 202	192 363

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 and United-States



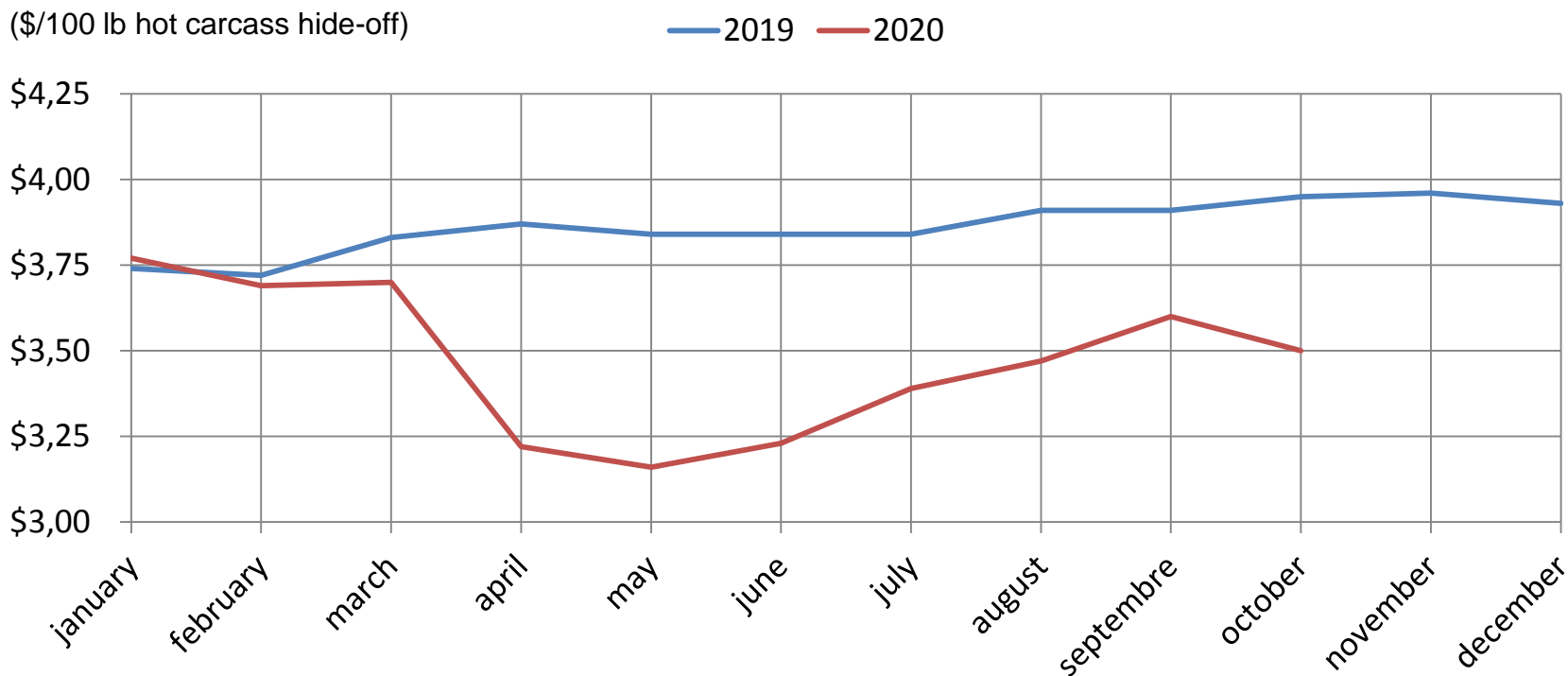
	2016	2017	2018	2019	2020
USA	4,38 \$	3,87 \$	4,02 \$	4,02 \$	4,02 \$
QMFV			3,71 \$	3,86 \$	3,47 \$

Sources :

- USDA : 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

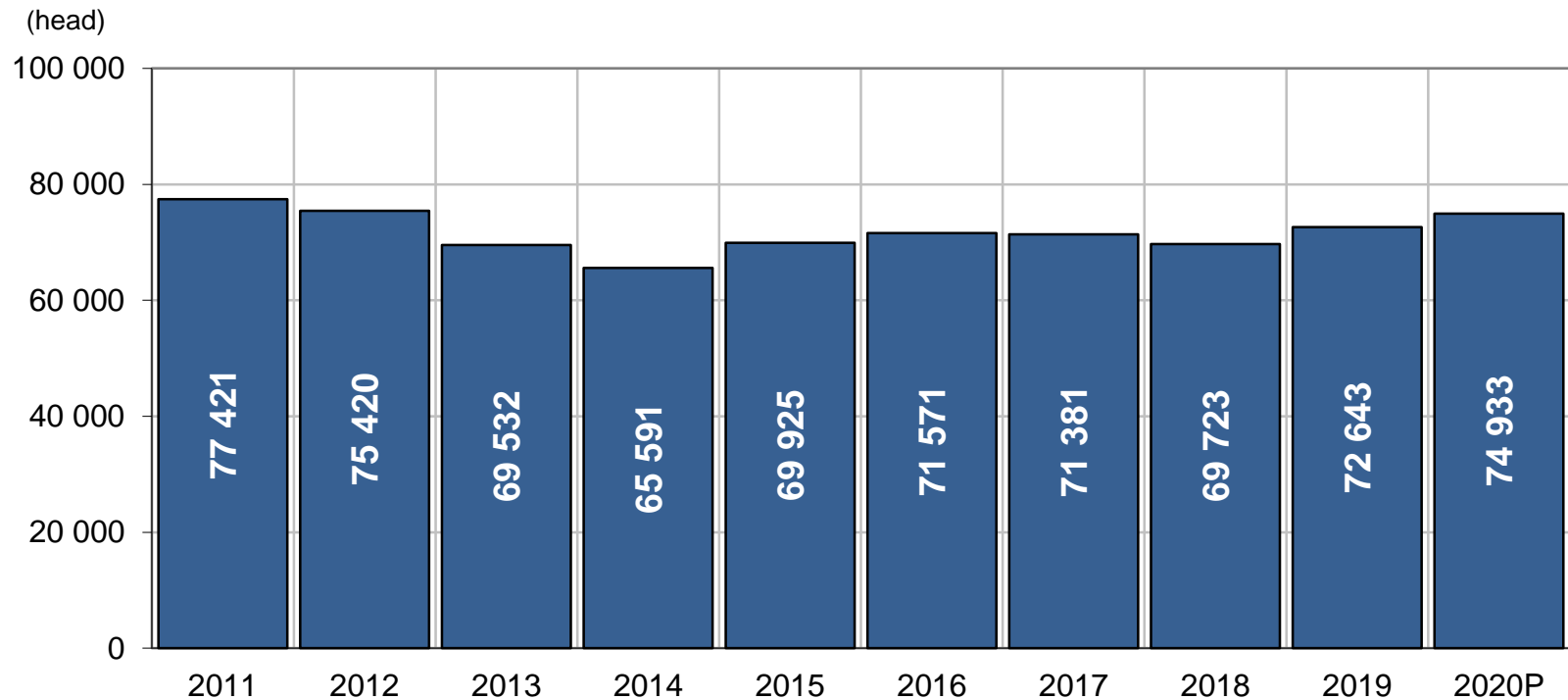


Sources :

- Net price collected by CECPA.

Grain-fed veal

Number of calves fed in Quebec

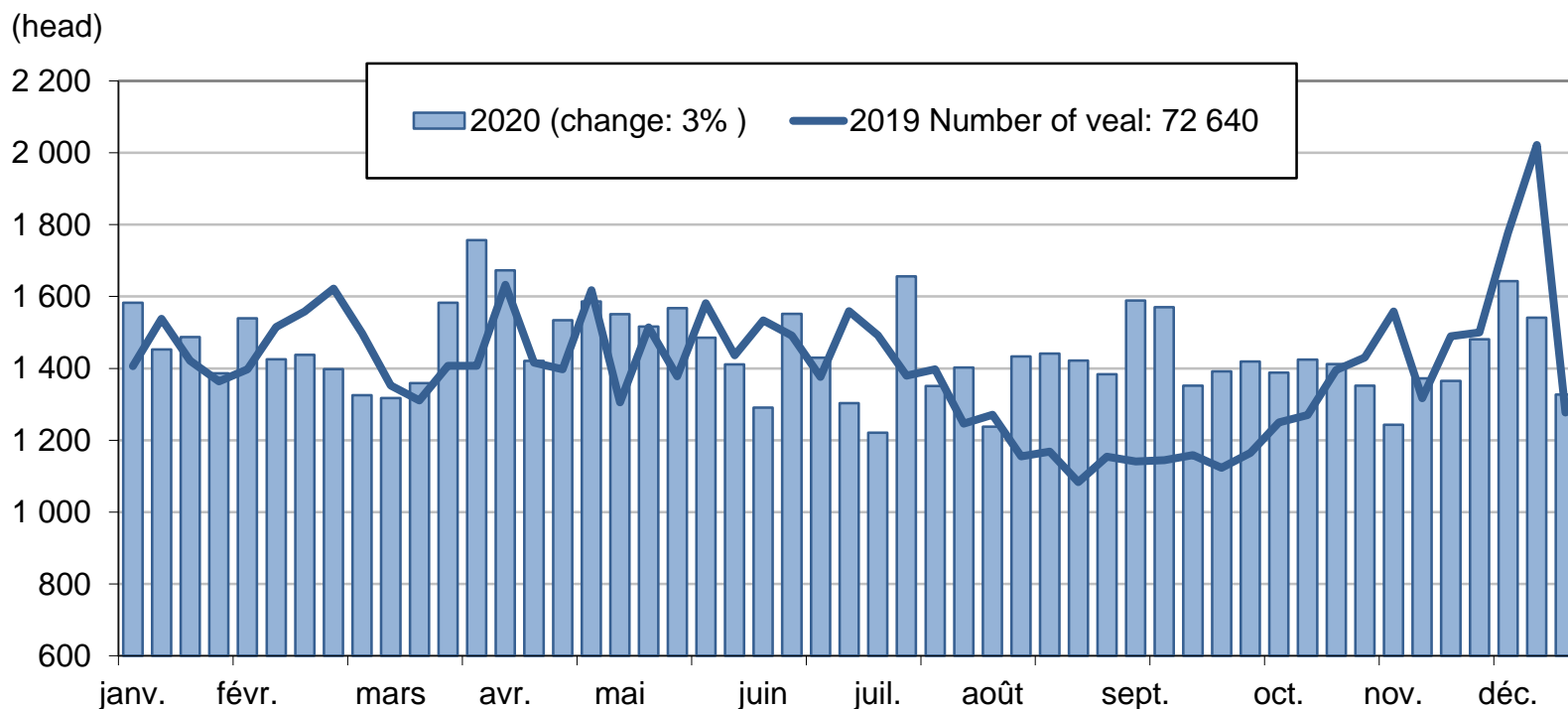


Sources :

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

Grain-fed veal

Number of calves fed in Quebec 2019-2020

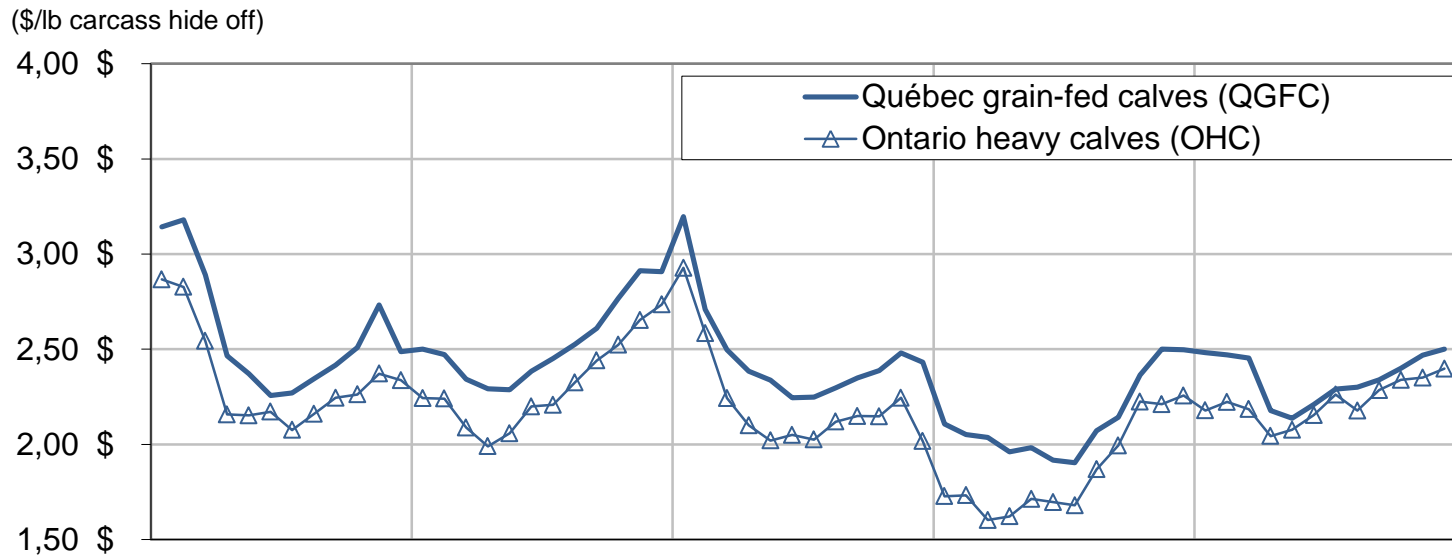


Sources :

- 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 \$	2,35 \$
QGFC-OHC	0,23 \$	0,21 \$	0,25 \$	0,26 \$	0,13 \$

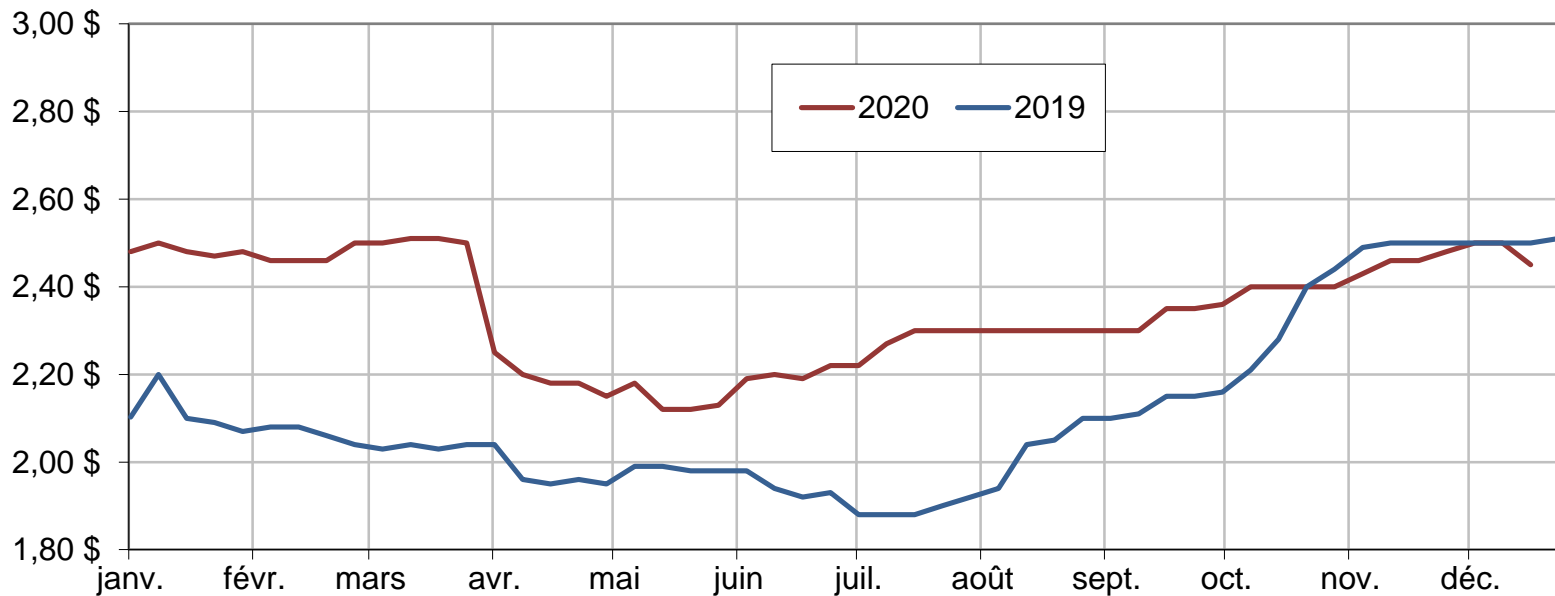
Sources :

- 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)

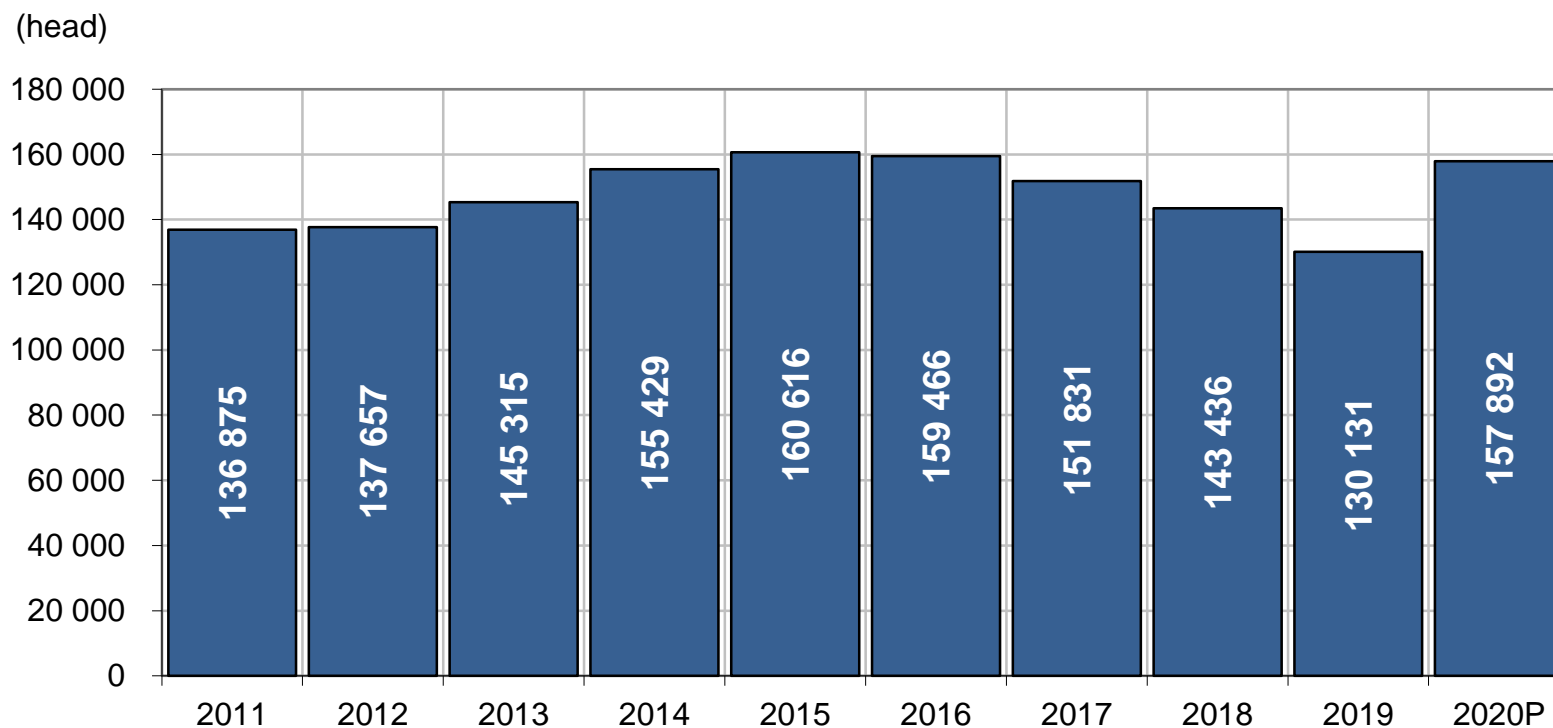


Sources :

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

Bob calves

Number of bob calves marketed in Quebec

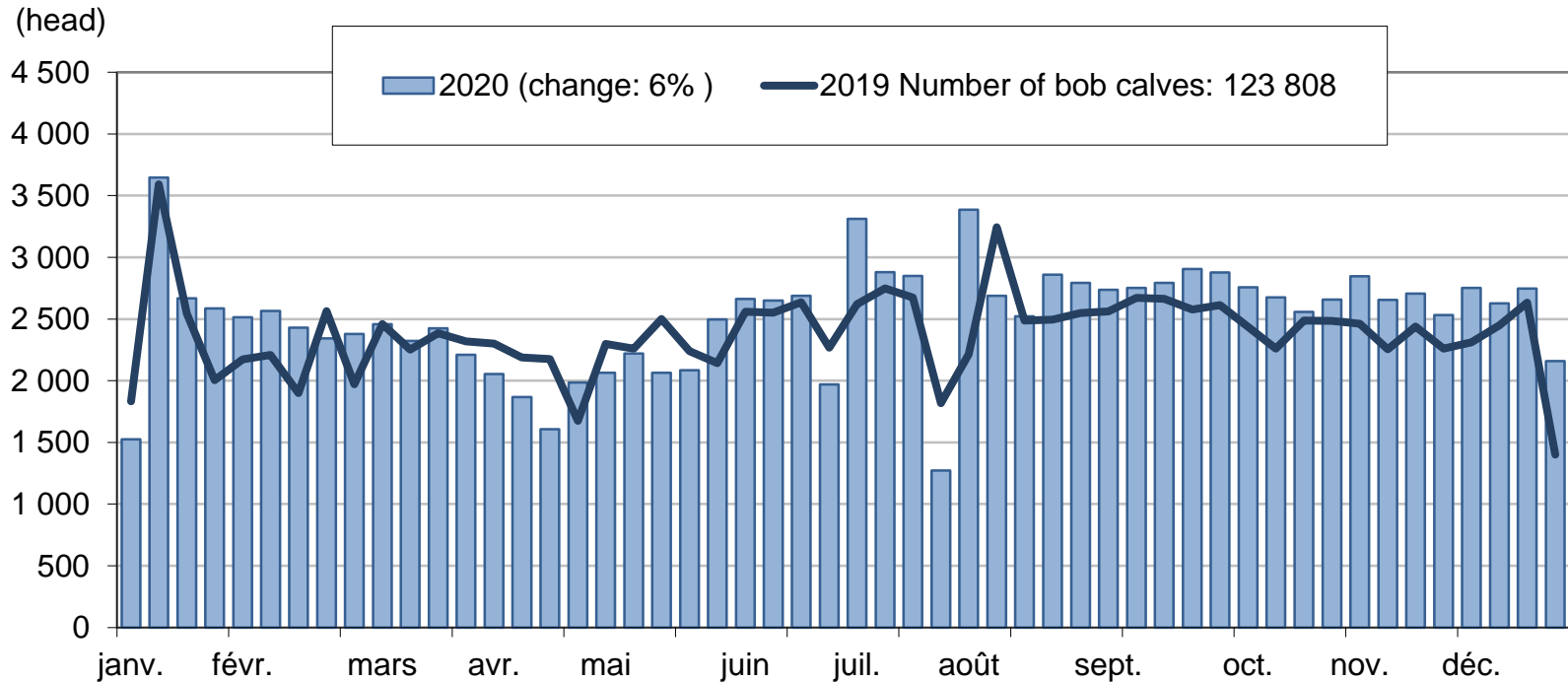


Source :

- Number of calves marketed by Quebec producers, PBQ

Bob calves

Number of bob calves marketed in Quebec 2019-2020

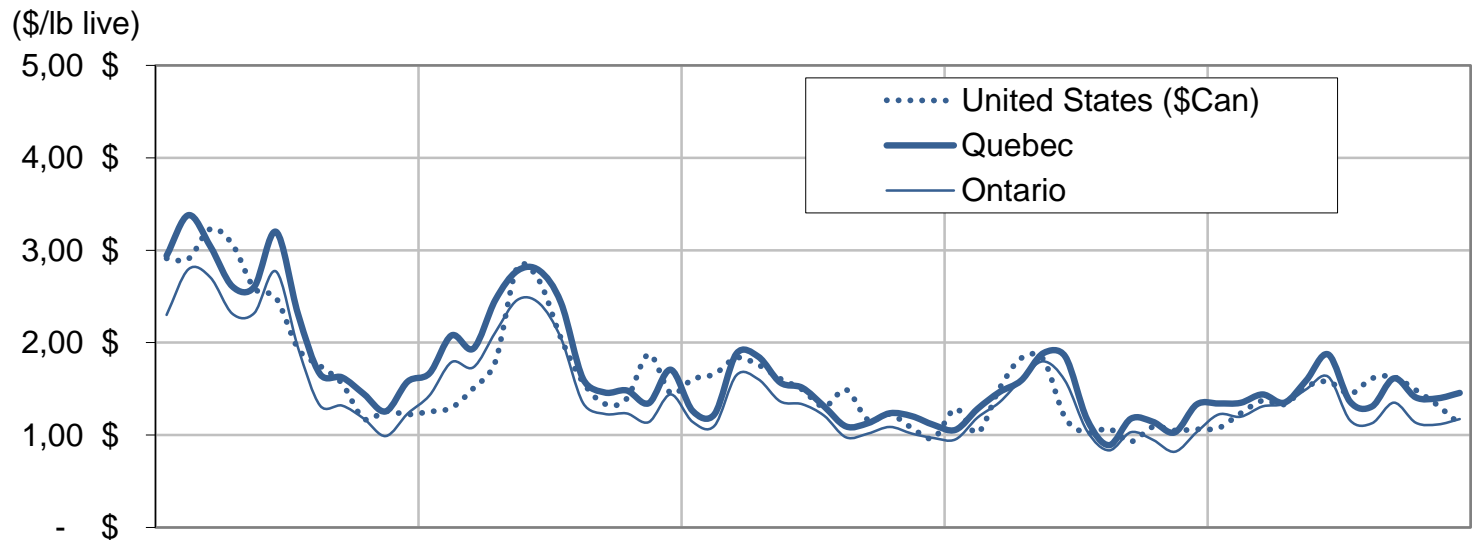


Sources :

- Number of calves marketed by Quebec producers, PBQ

Bob calves

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



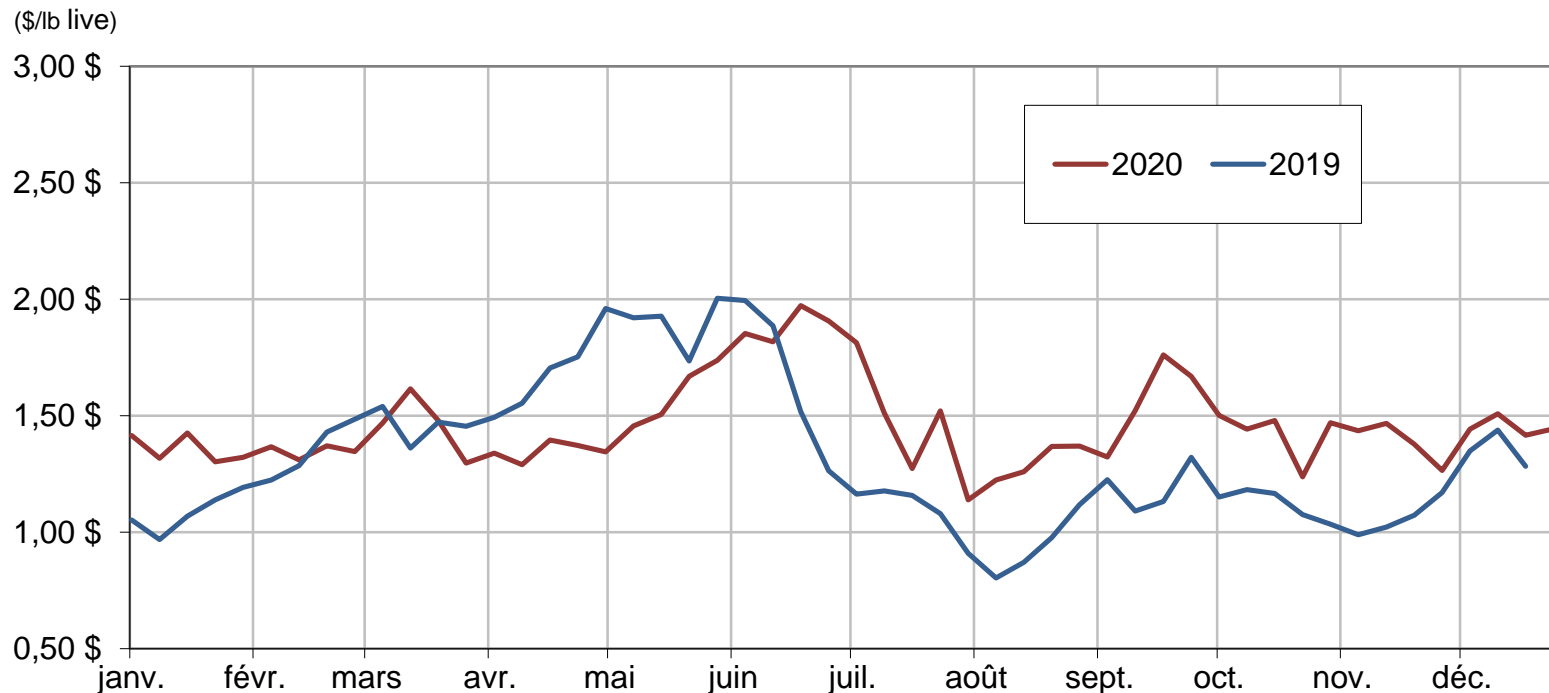
	2016	2017	2018	2019	2020
Quebec	2,30 \$	1,98 \$	1,36 \$	1,32 \$	1,46 \$
Que-US	0,13 \$	0,23 \$	-0,07 \$	0,08 \$	0,06 \$
Que-Ont	0,37 \$	0,28 \$	0,16 \$	0,14 \$	0,19 \$

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 2019-2020

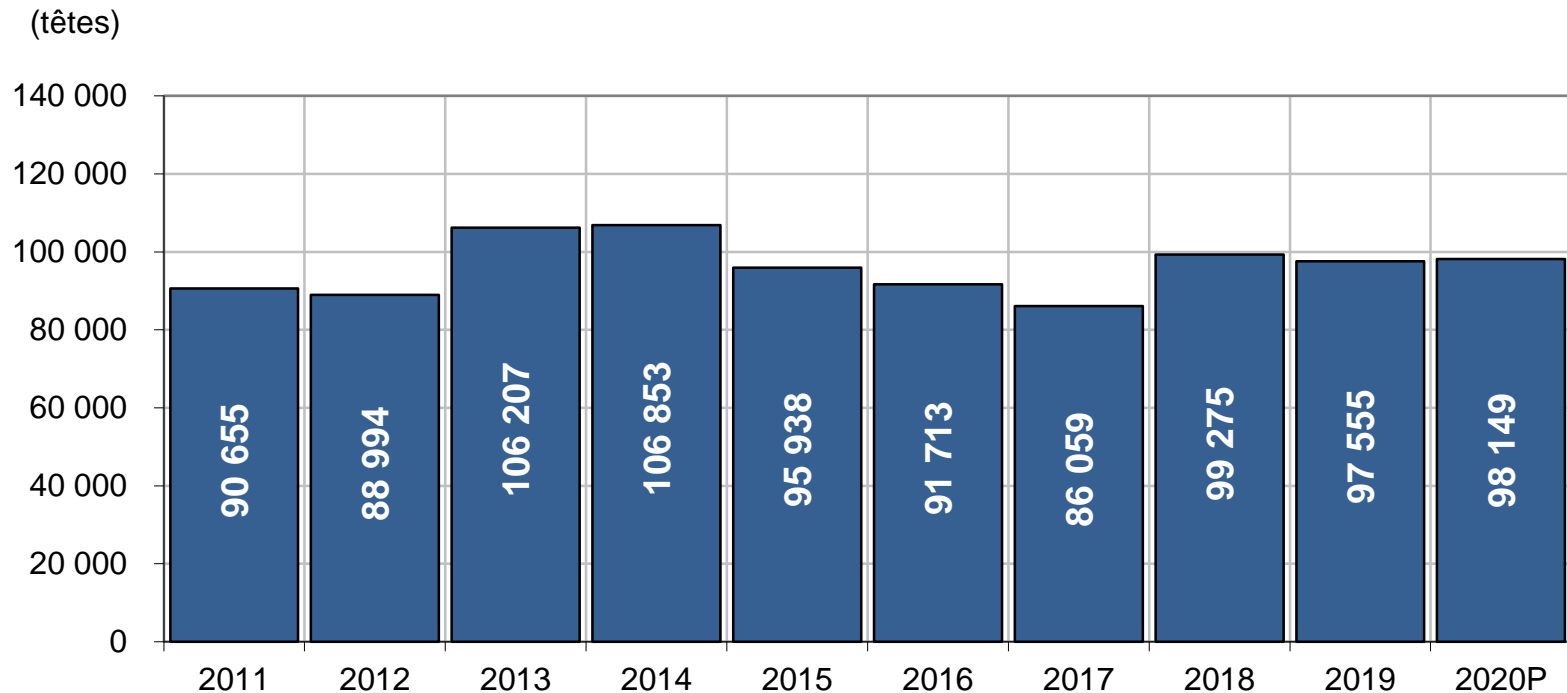


Sources :

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

Cull cattle

Number of cull cows marketed in Quebec

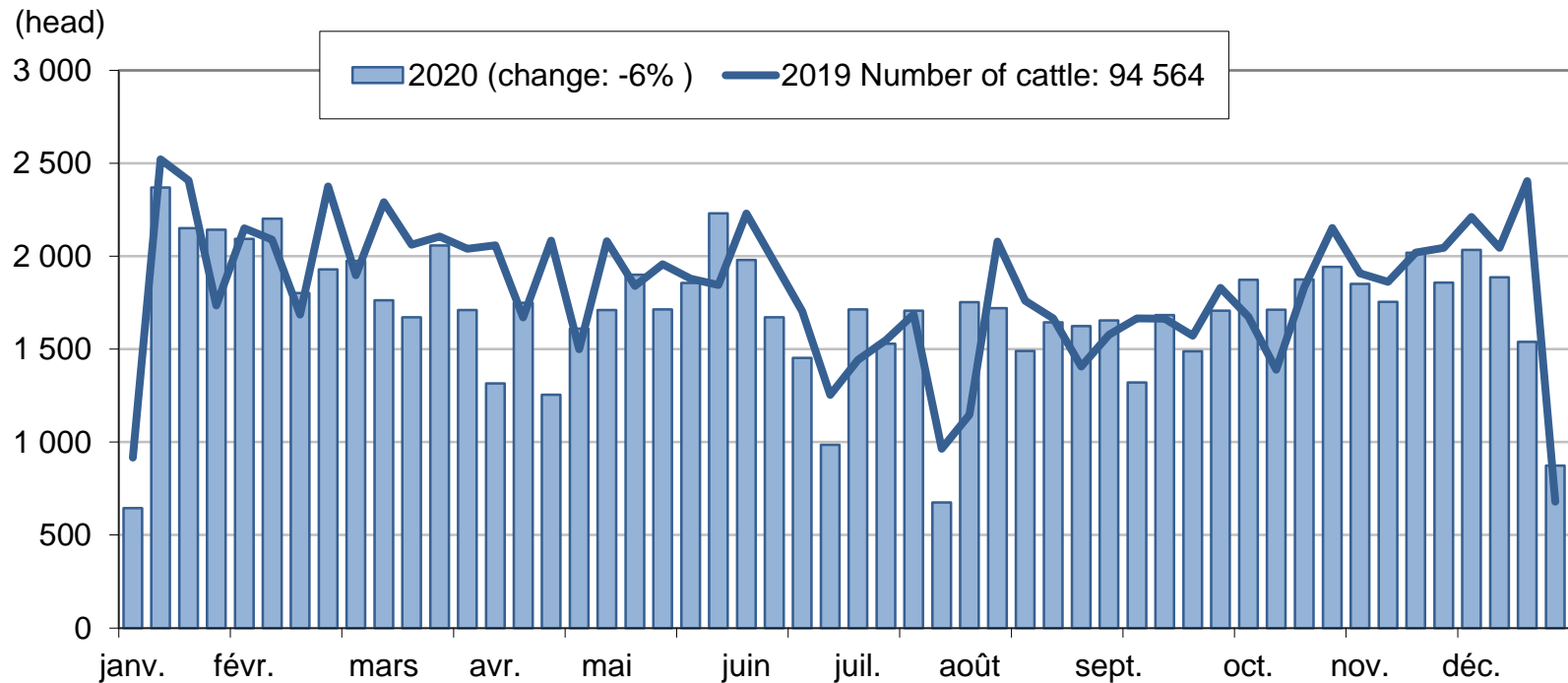


Source :

- Number of cull cows marketed by Quebec producers, PBQ

Cull cattle

Number of cull cows marketed in Quebec 2019-2020

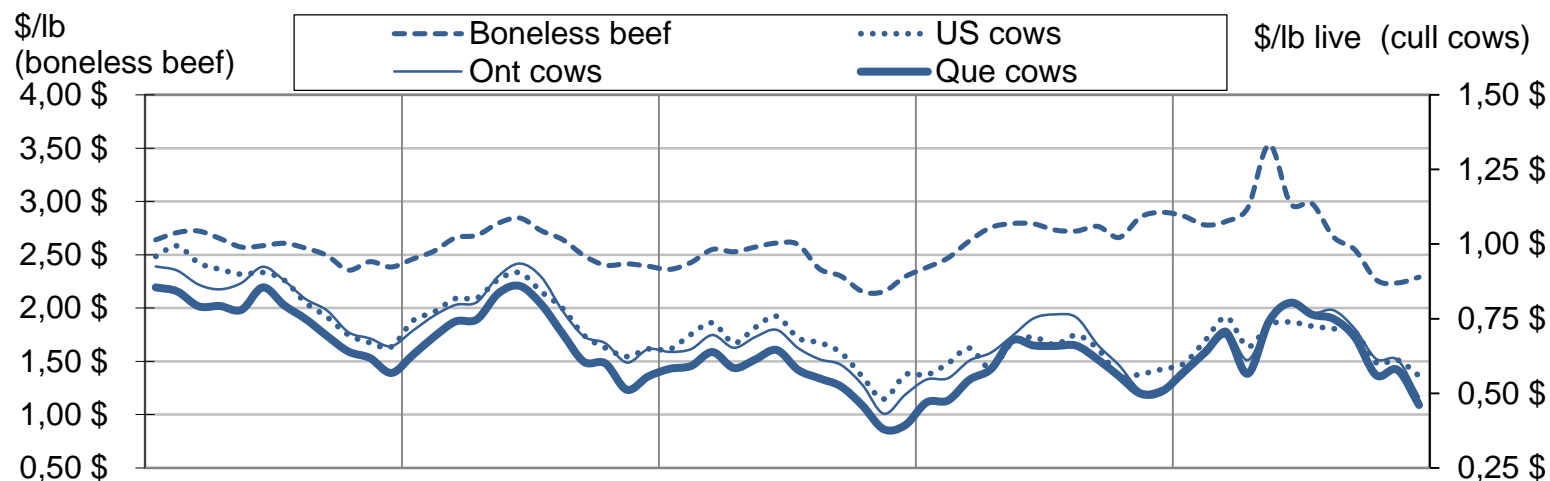


Source :

- Number of calves marketed by Quebec producers, PBQ

Cull cattle

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



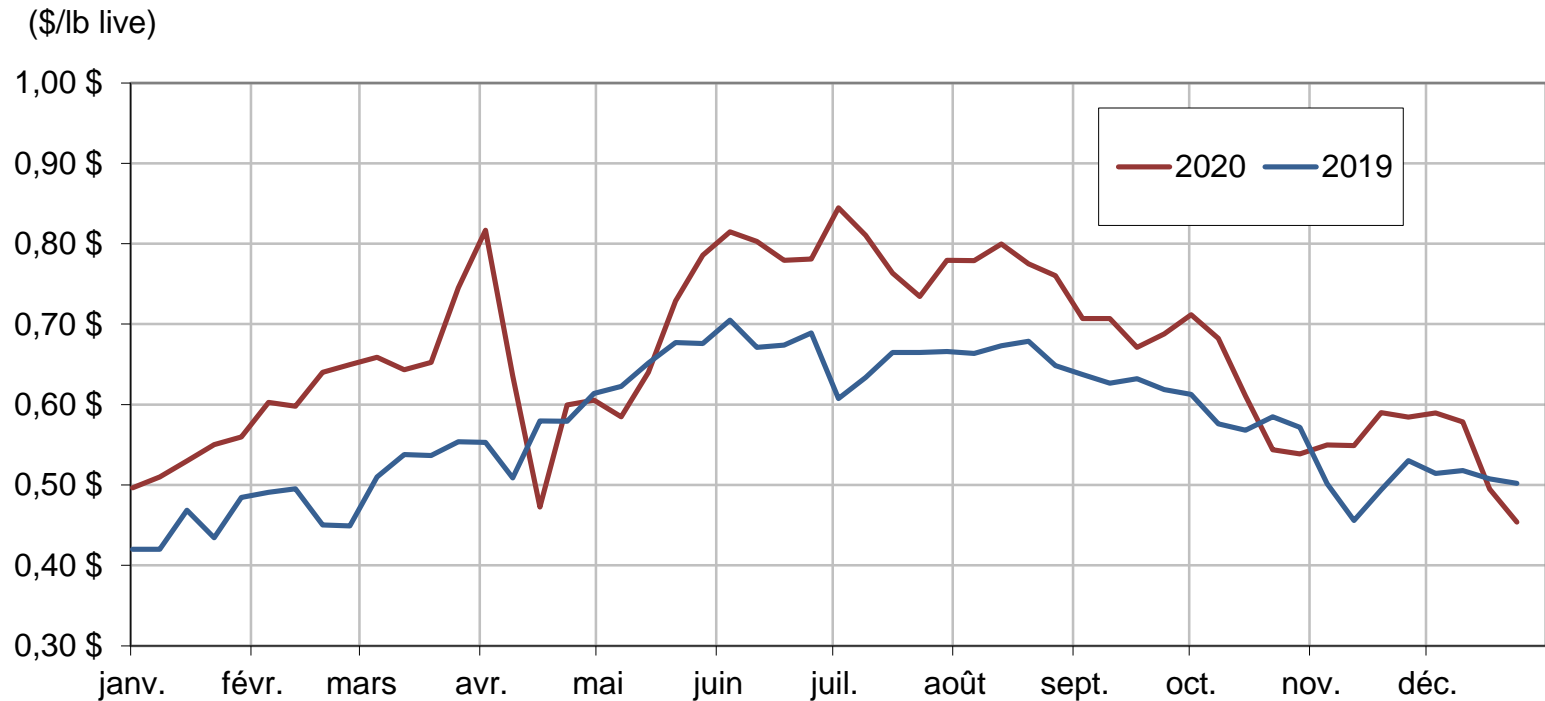
	2016	2017	2018	2019	2020
Boneless beef	2,56 \$	2,59 \$	2,41 \$	2,70 \$	2,74 \$
Que \$/cow	1 047 \$	965 \$	763 \$	805 \$	912 \$
Que \$/lb	0,75 \$	0,69 \$	0,54 \$	0,58 \$	0,65 \$
Que-US	-0,09 \$	-0,08 \$	-0,11 \$	-0,05 \$	-0,02 \$
Que-Ont	-0,07 \$	-0,08 \$	-0,07 \$	-0,06 \$	-0,02 \$

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

Cull cattle

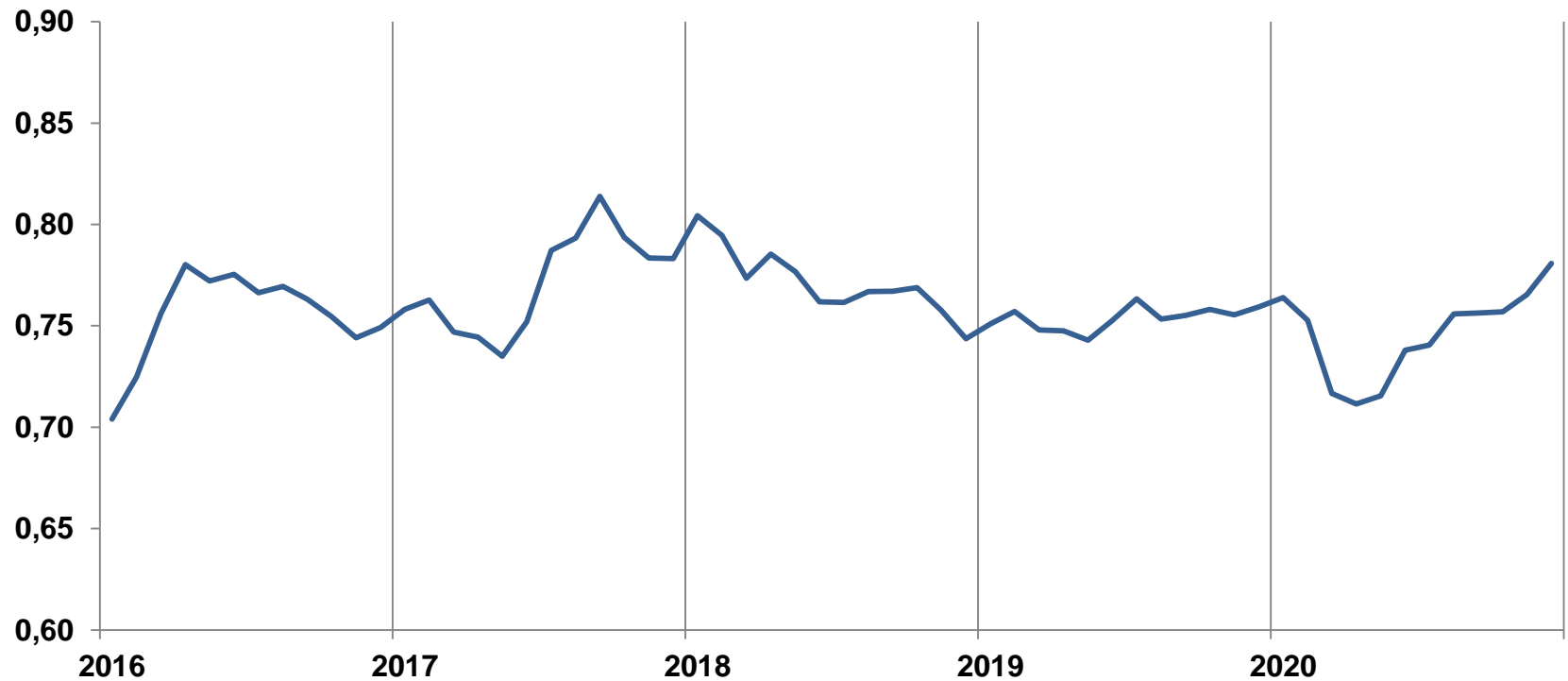
Price of cull cows in Quebec 2019-2020



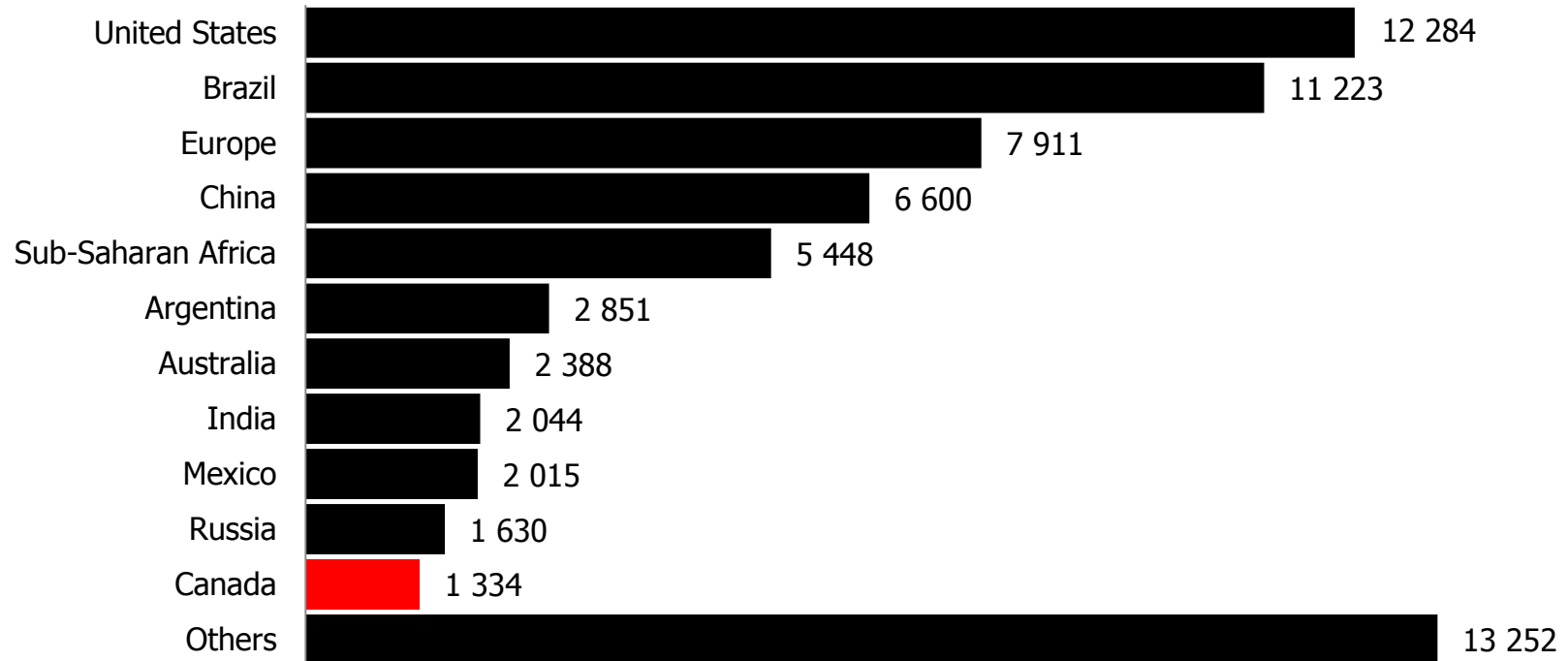
Sources :

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

Exchange rate \$ CAN / \$ US



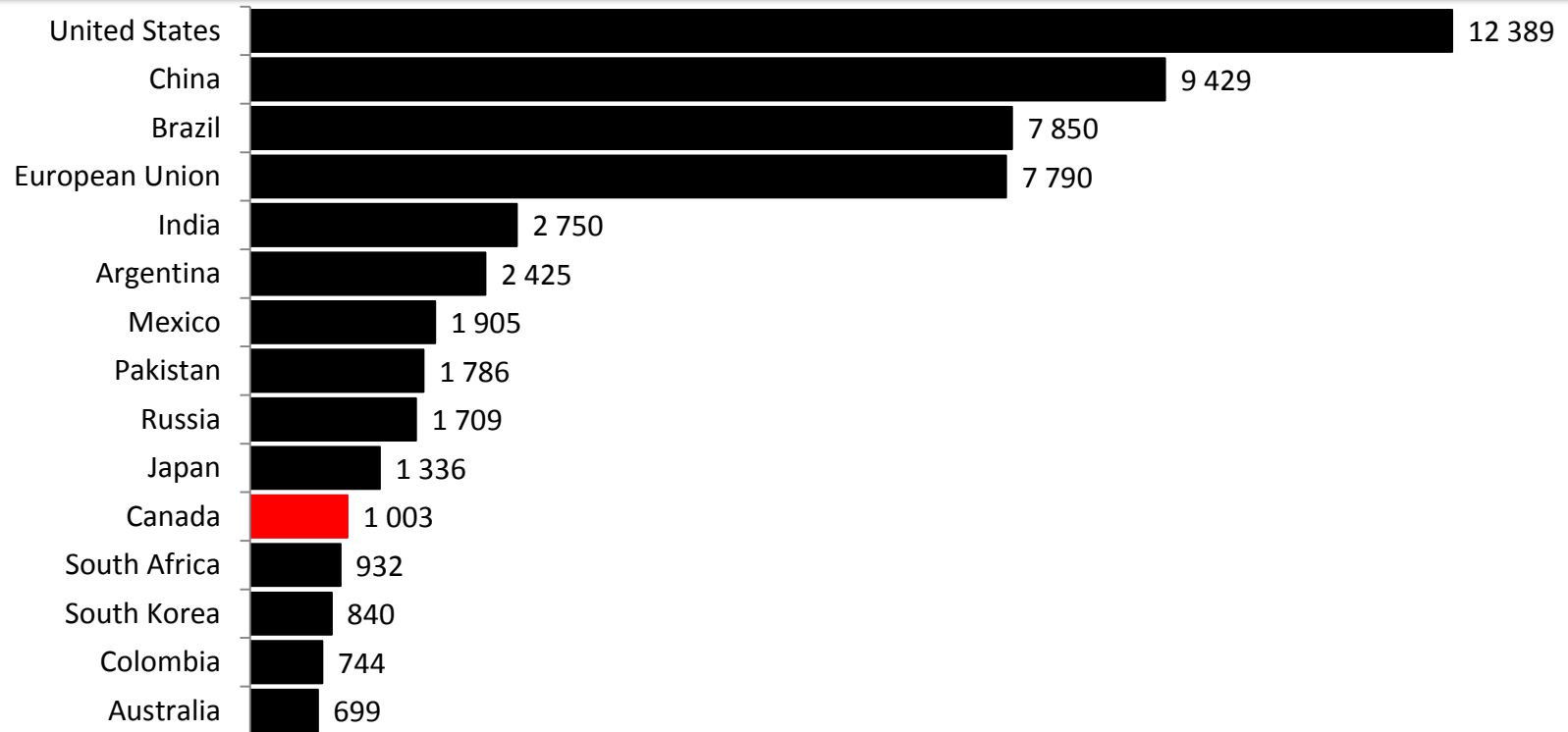
Beef and veal net production (1000 t, cwe) - 2019



Source :

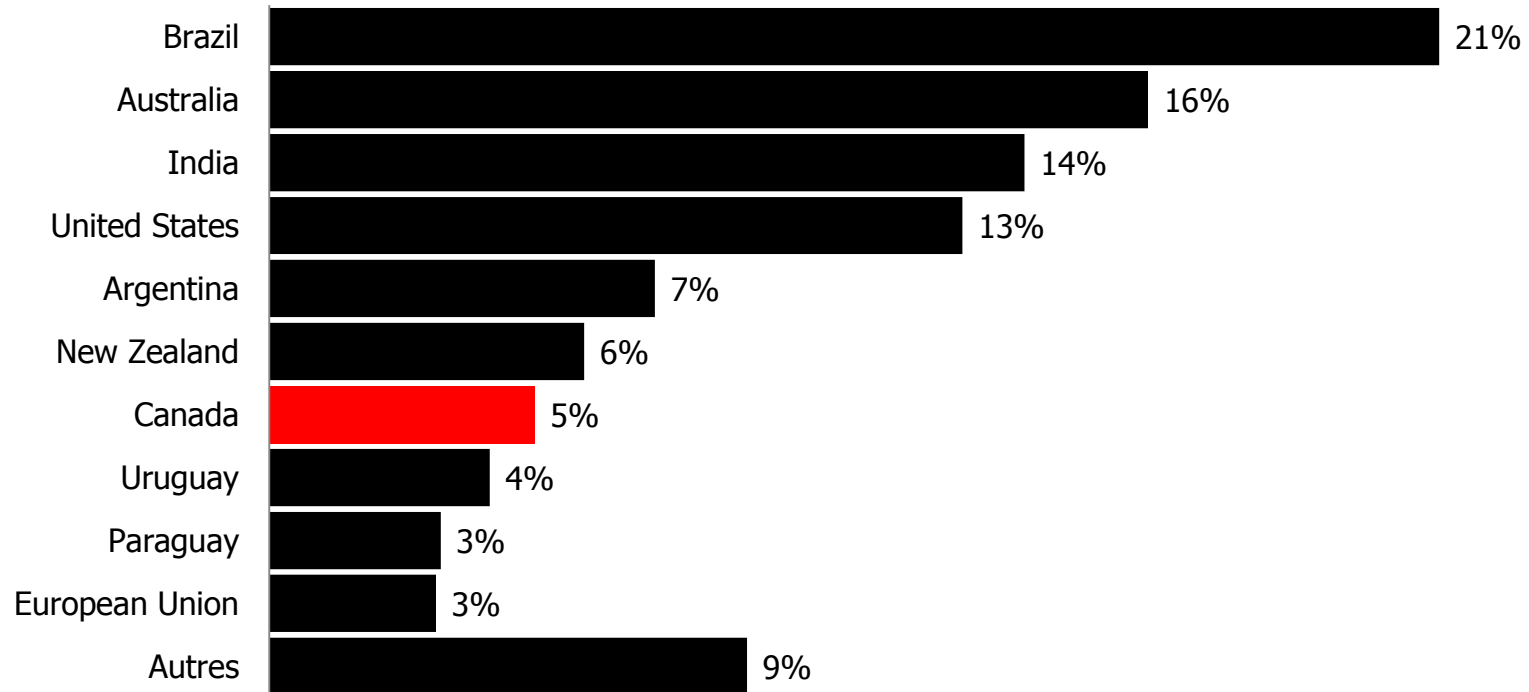
- GIRA

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



Source :
• GIRA

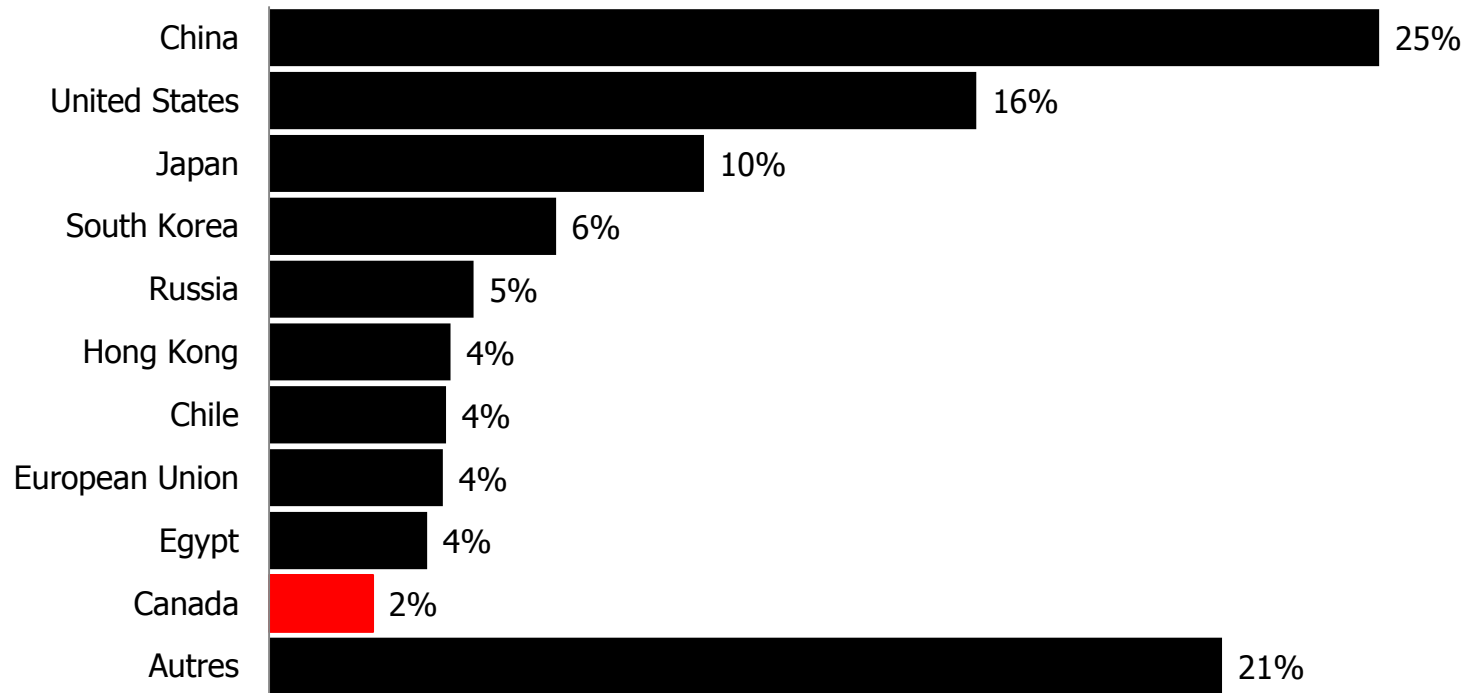
World top beef exporters (% world) - 2019



Source :

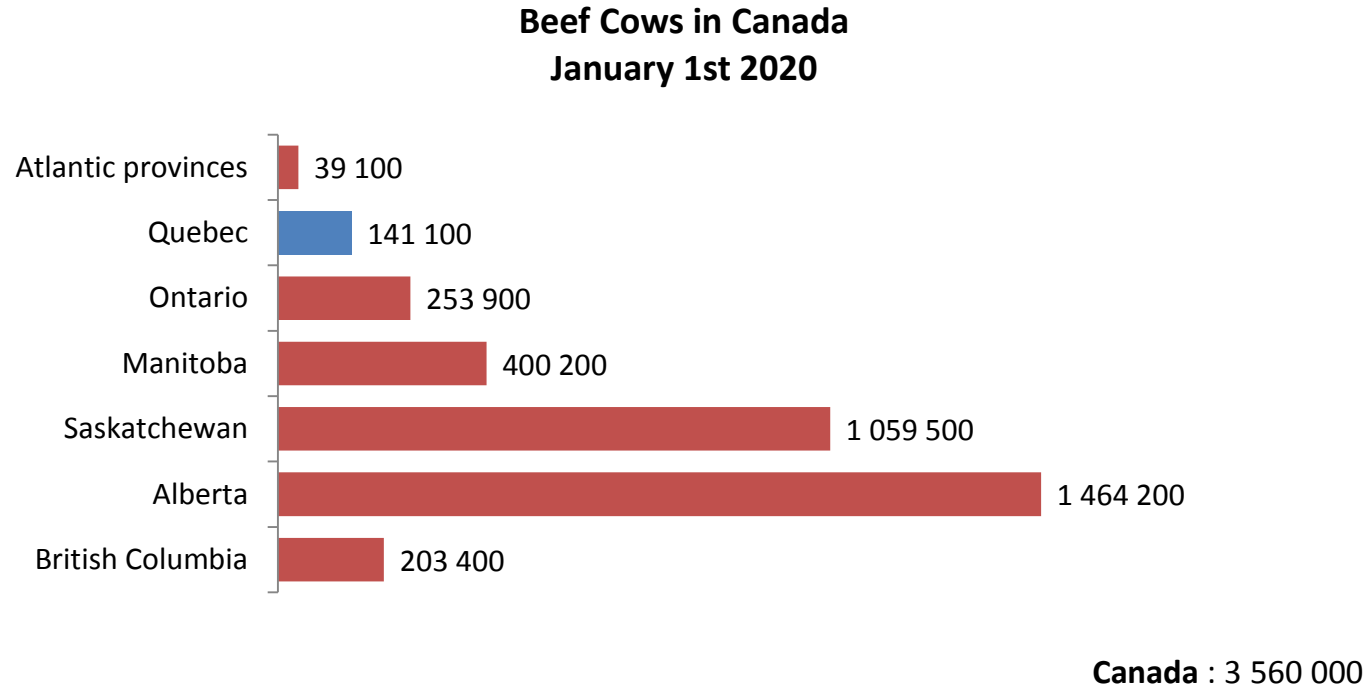
- GIRA

World top beef importers (% world) - 2019



Source :
• GIRA

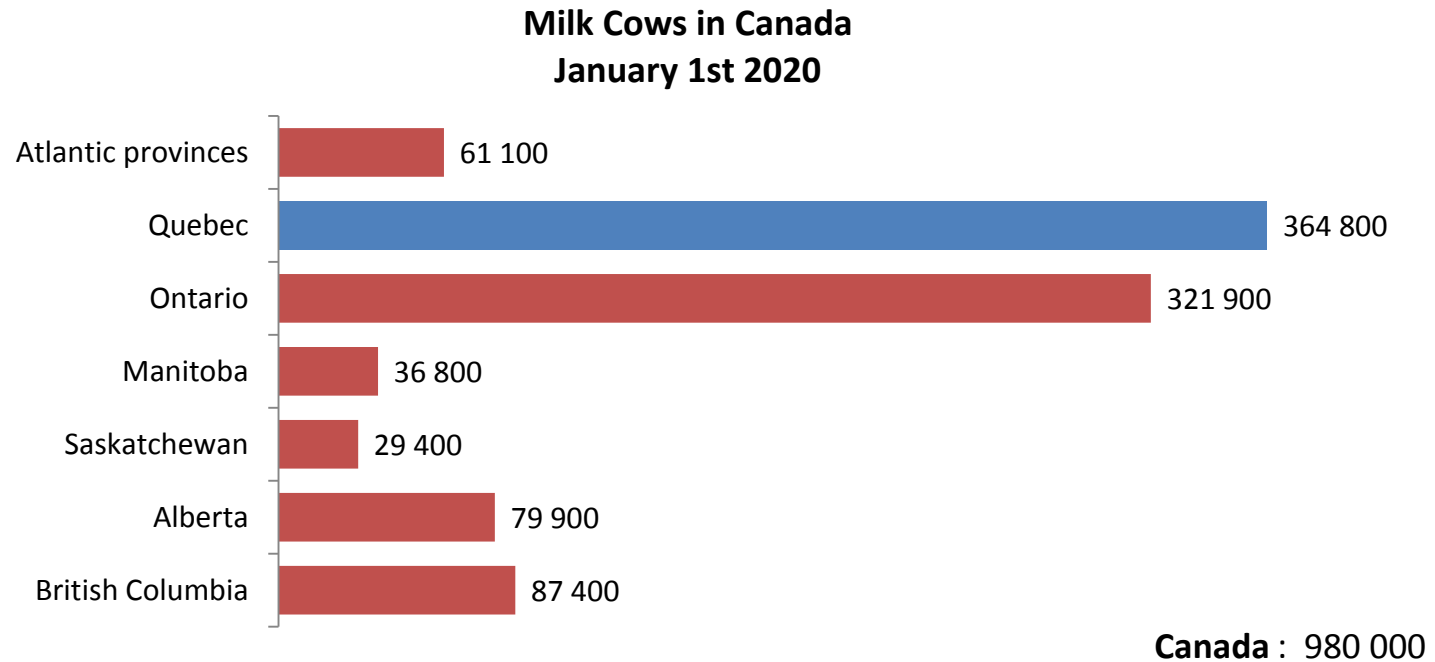
Beef Cow inventory in Canada 2020



Source :

- Statistique Canada

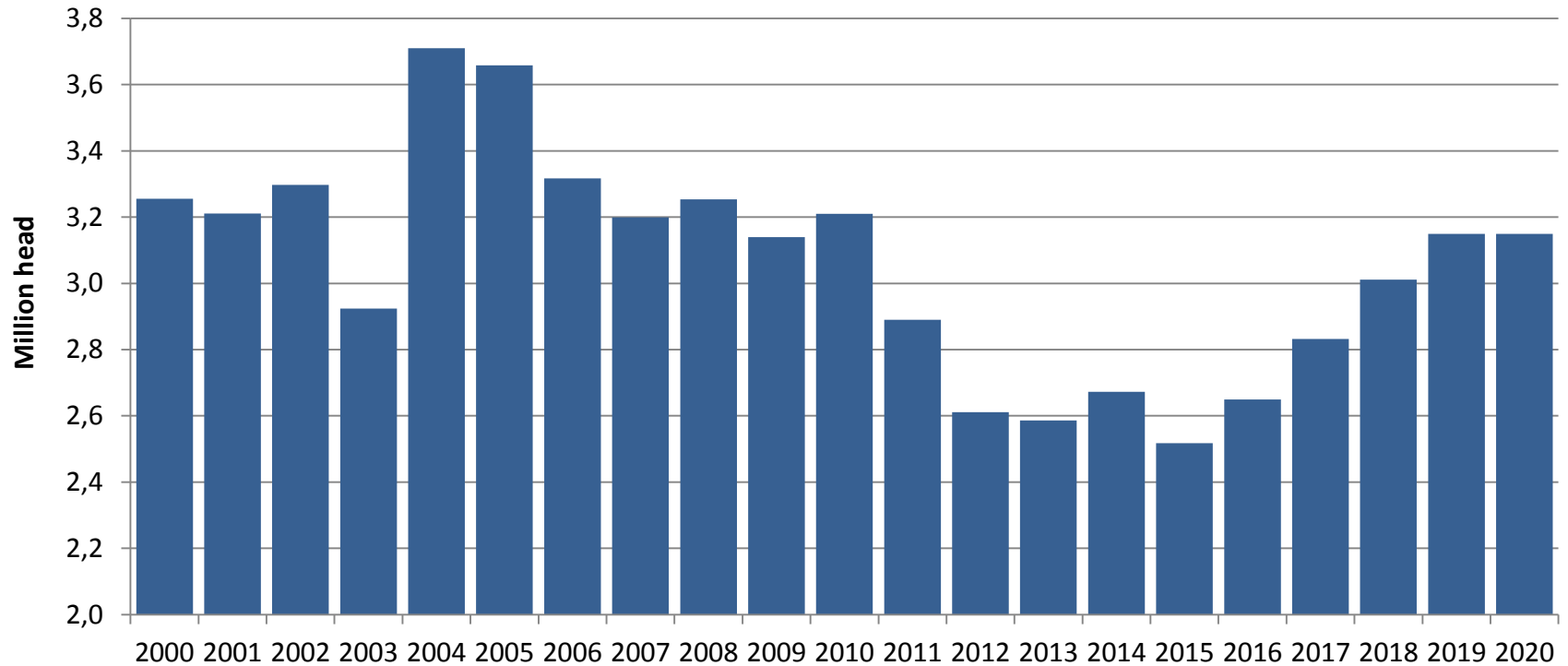
Milk Cow inventory in Canada 2020



Source :

- Statistics Canada

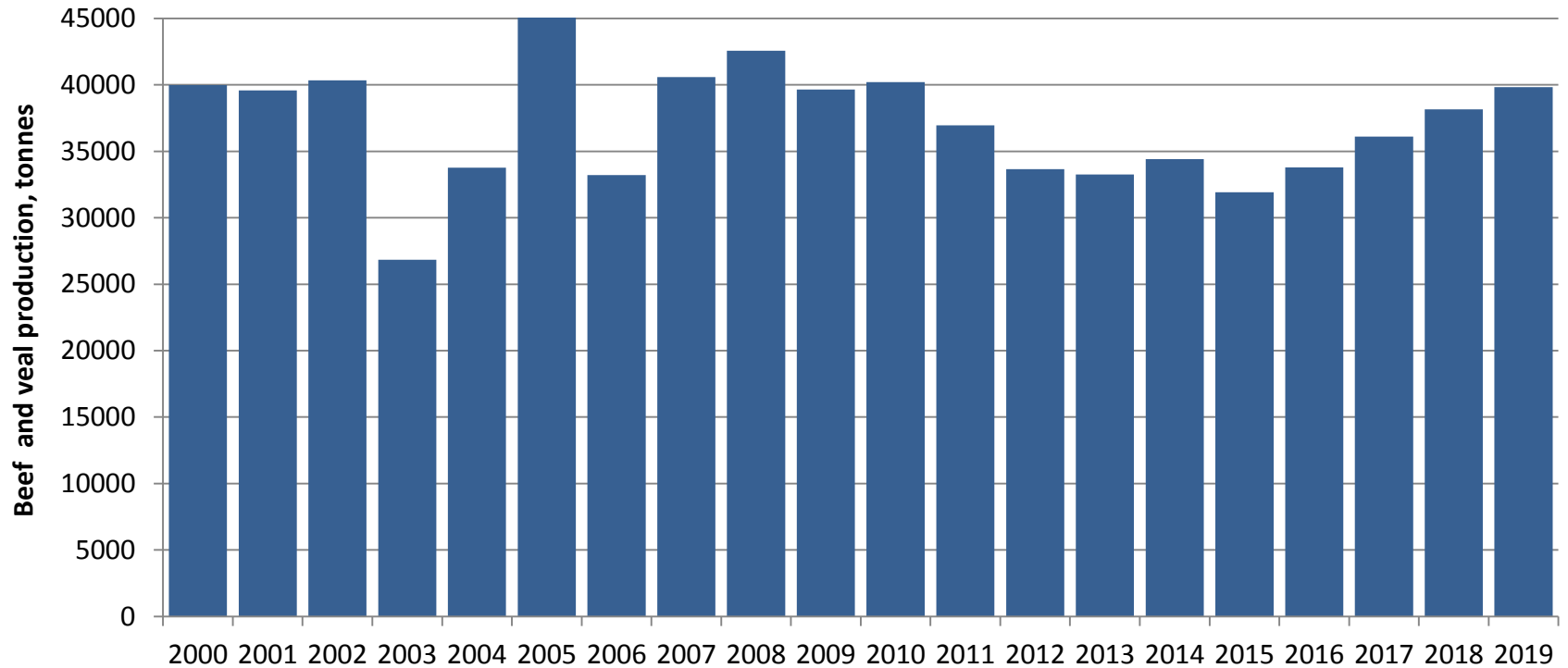
Number of cattle Slaughtered in Federally Inspected Plants



Sources :

- Canadian Beef Grading Agency, AAFC

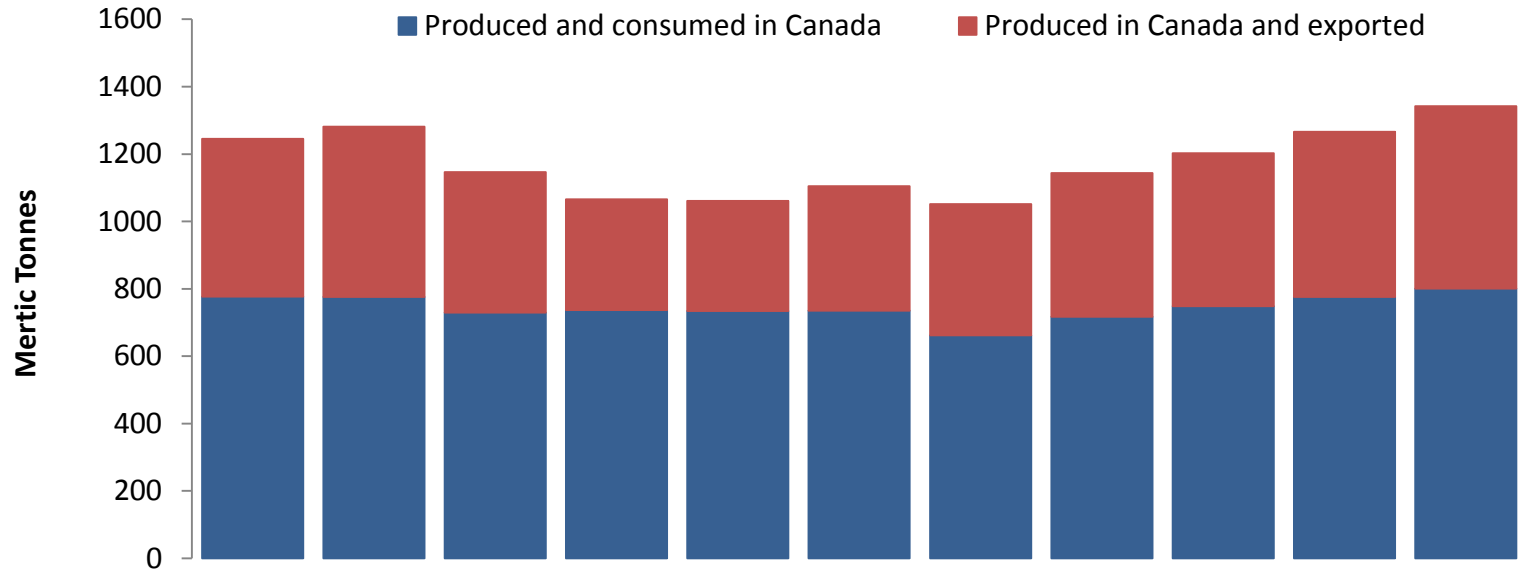
Canadian beef and veal production



Sources :

- Statistics Canada (Edible offal, meat production)

% Canadian beef and veal production exported

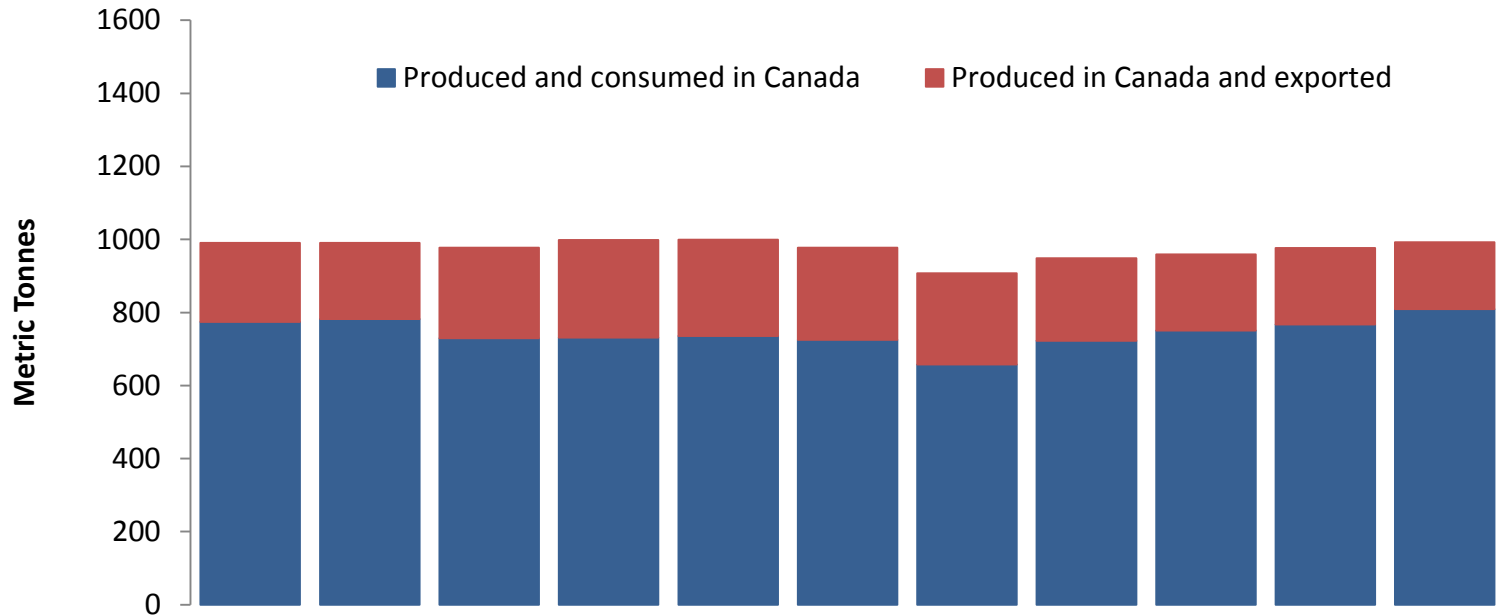


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
% exported / production	38%	39%	36%	31%	31%	33%	37%	37%	38%	39%	40%

Sources :

- Statistics Canada

% Canadian beef and veal consumption imported



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
% imported / consumed	22%	21%	25%	27%	26%	26%	28%	24%	22%	21%	18%

Sources :

- Statistics Canada

Beef and veal meat exports from Canada

Beef and veal meat exports (tonnes)	Jan. 1 - November 30		
	2020	2019	% chg
United States	289 719	294 638	-2%
Japan	40 694	45 751	-11%
Hong Kong	12 720	14 890	-15%
Mexico	12 406	15 459	-20%
China	9 535	11 475	-17%
South Korea	5 291	5 028	5%
Vietnam	3 662	1 276	187%
Angola	2 514	2 303	9%
Taiwan	2 113	2 679	-21%
Others	10 459	13 813	-24%
Total	388 569	407 190	-5%

Sources :

- Statistics Canada, AACF

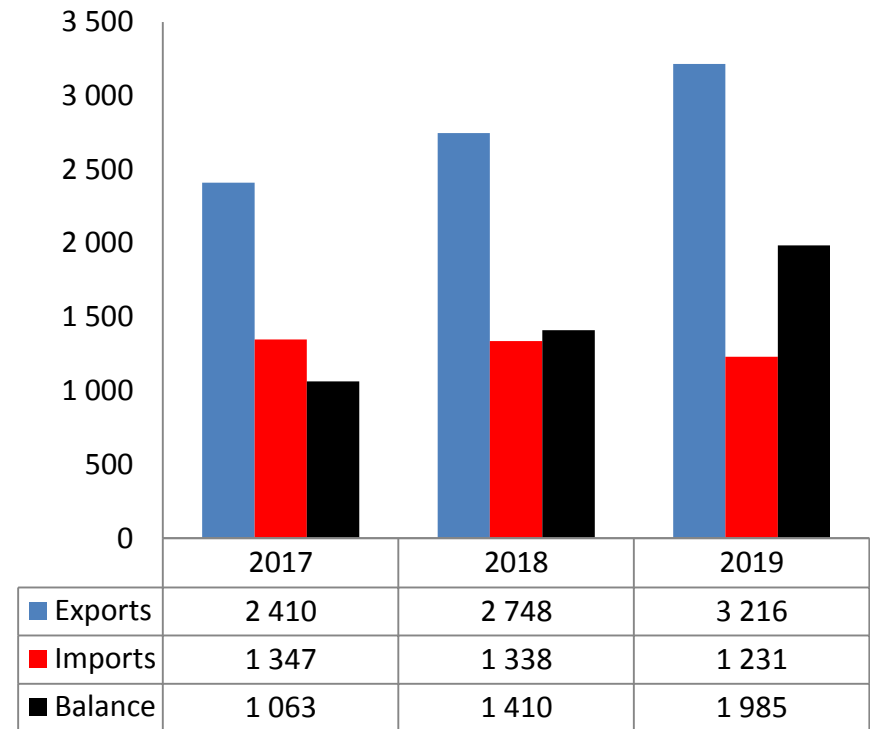
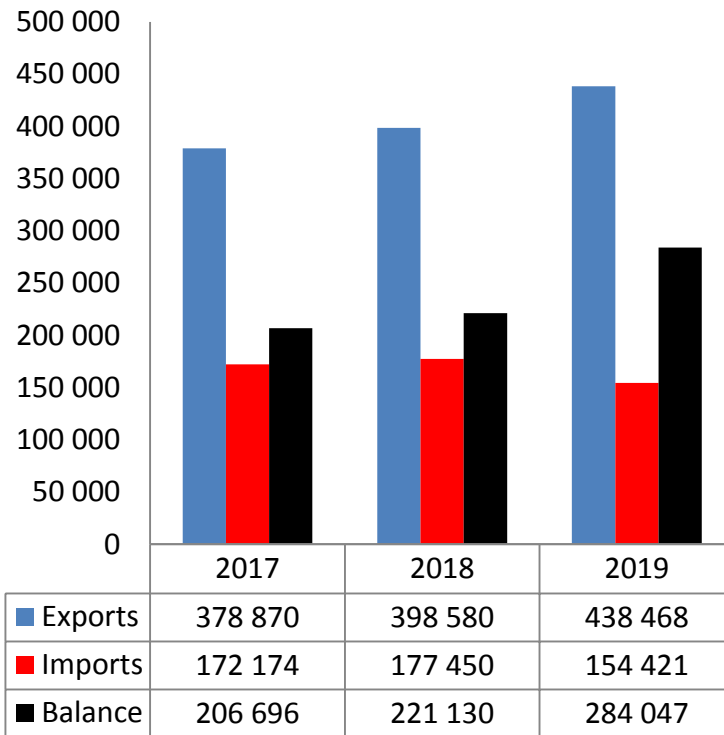
Beef and veal imports to Canada

Beef and veal meat imports (tonnes)	Jan. 1 - December 31		
	2020	2019	% chg
United States	112 947	108 210	4%
New Zealand	17 645	12 644	40%
Uruguay	14 505	7 528	93%
Australia	13 984	15 780	-11%
Mexico	7 960	5 754	38%
United Kingdom	5 256	2 895	82%
Others	19 982	8 075	147%
Total	192 277	160 886	20%

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 - November 30		
	2020	2019	% chg
United States	2 231	2 103	6%
Émirats Arabes Unis	89	190	-53%
Saint-Pierre et Miquelon	5	12	-23%
Autres	1	7	
Total	2 326	2 312	1%

Sources :

- Statistics Canada, AACF

Veal imports to Canada

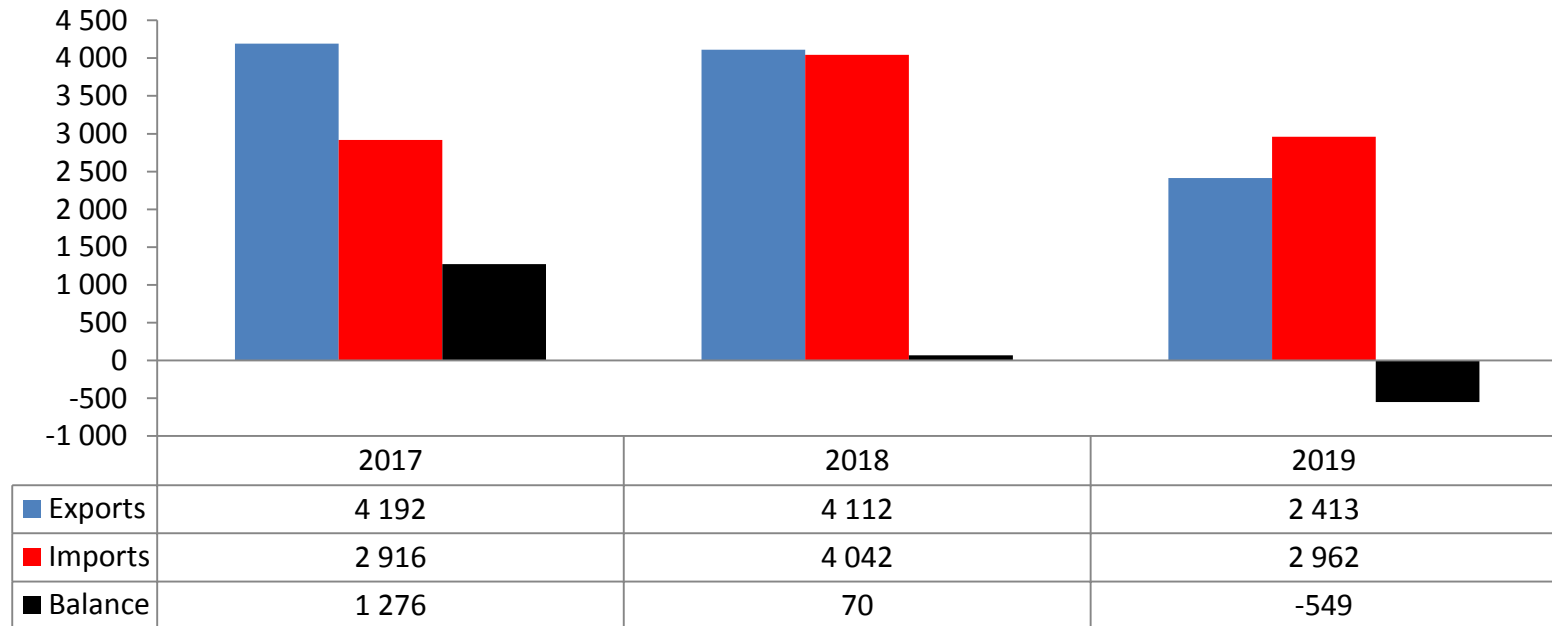
Veal imports (tonnes)	Jan. 1 - December 31		
	2020	2019	% chg
United States	830	1 332	-38%
New Zeland	2 183	912	136%
Australia	130	232	-44%
European Union - 27			
Netherland	231	368	-37%
Others	185	21	
Total	3 667	3 008	22%

Sources :

- Statistics Canada, AACF

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

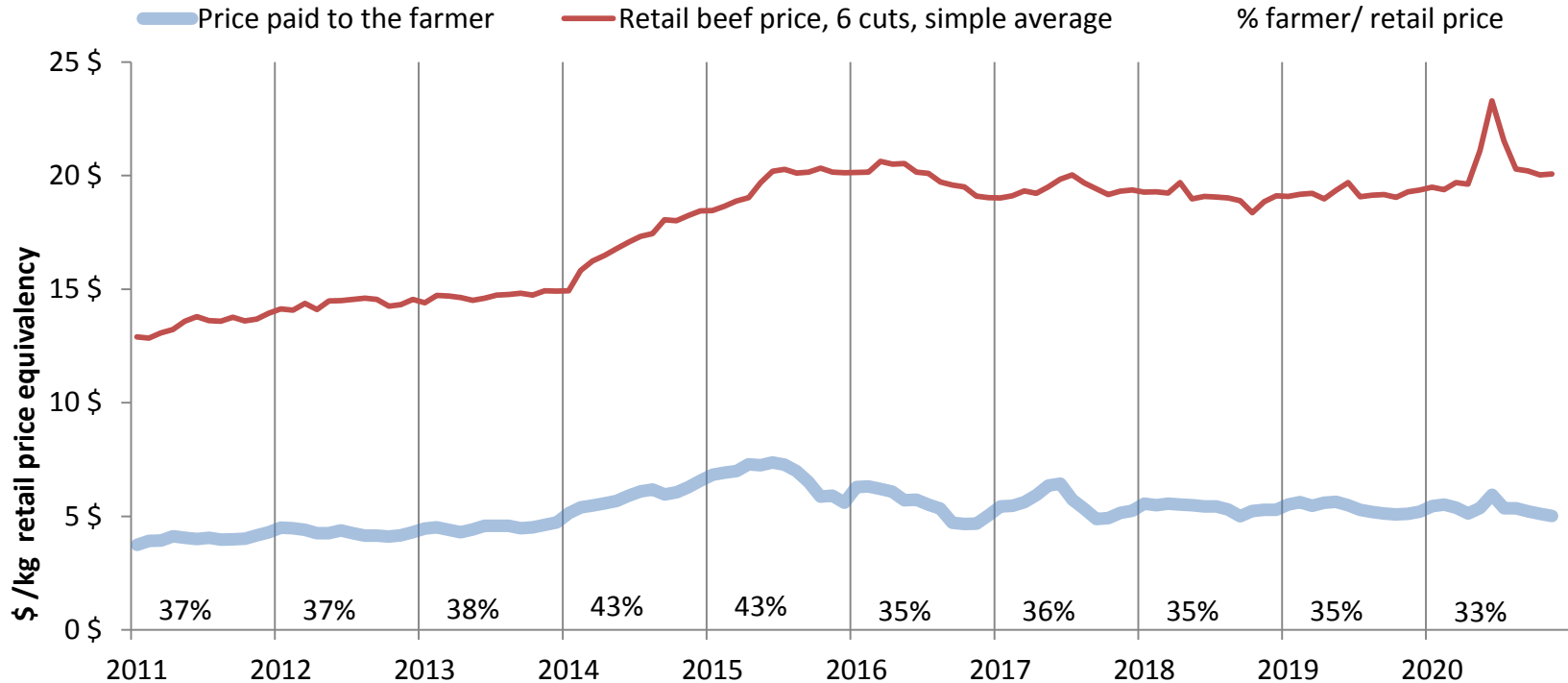
tonnes



Sources :

- Statistics Canada, AACF

Beef price cuts vs price paid to the producer

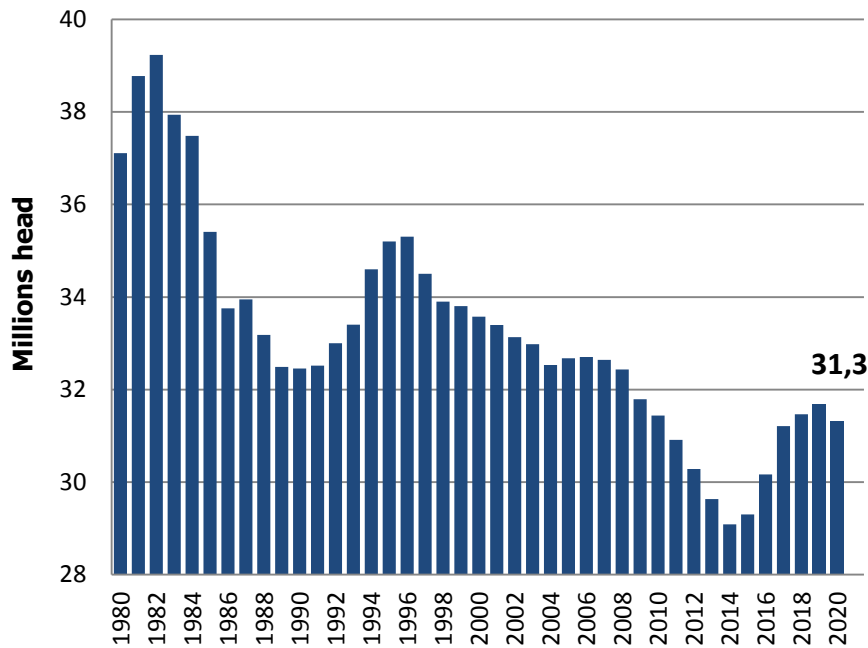


Sources :

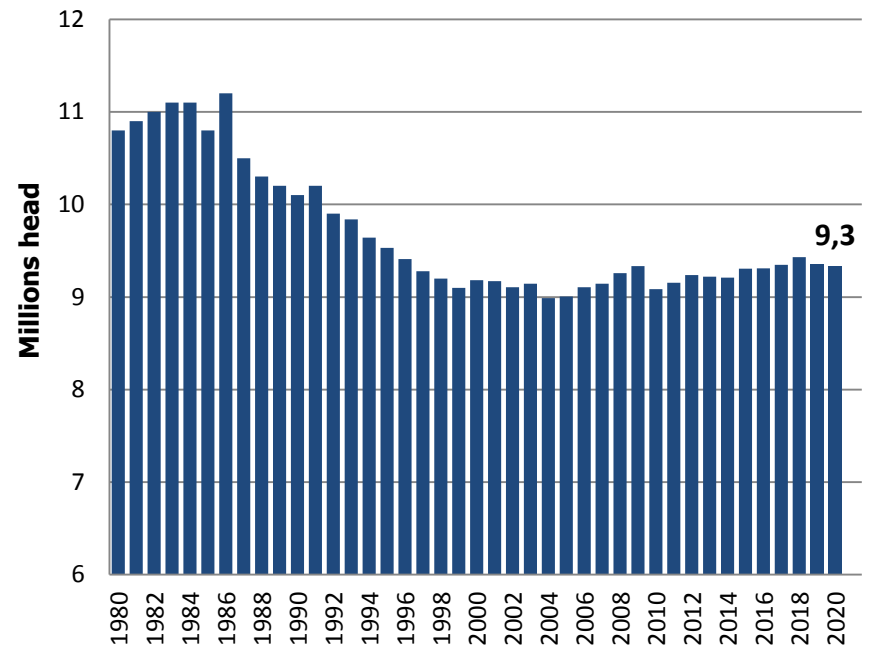
- Statistics Canada pour les prix au détail moyenne arithmétique 6 coupes (bifteck de ronde, bifteck de surlonge, rôti de côtes de choix, rôti de palette, bœuf à ragout, bœuf haché régulier)
- PBQ pour le prix aux producteurs (rendement de 46% pour ramener le prix vif en prix de détail)

Beef cow and milk cow inventory in United-States

Beef cow

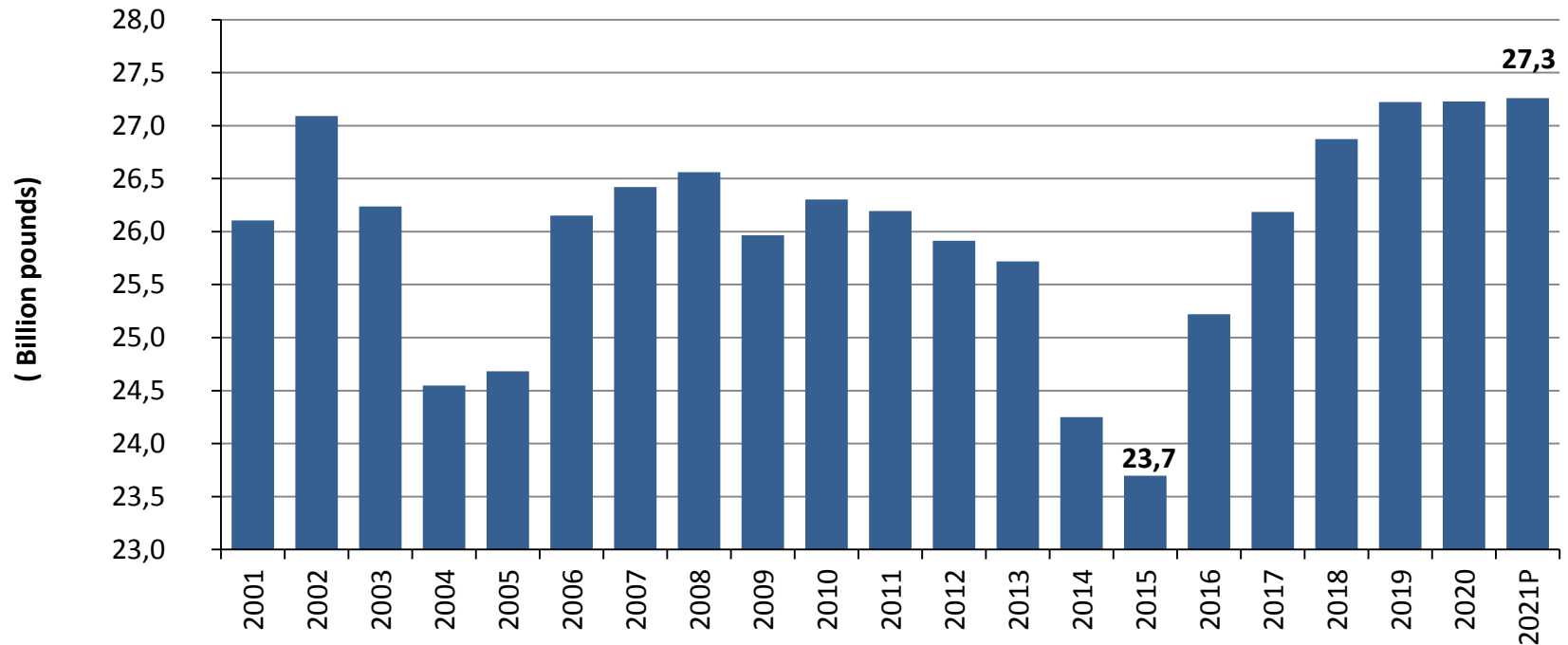


Milk cow



Source :
• USDA

Beef production in United-States

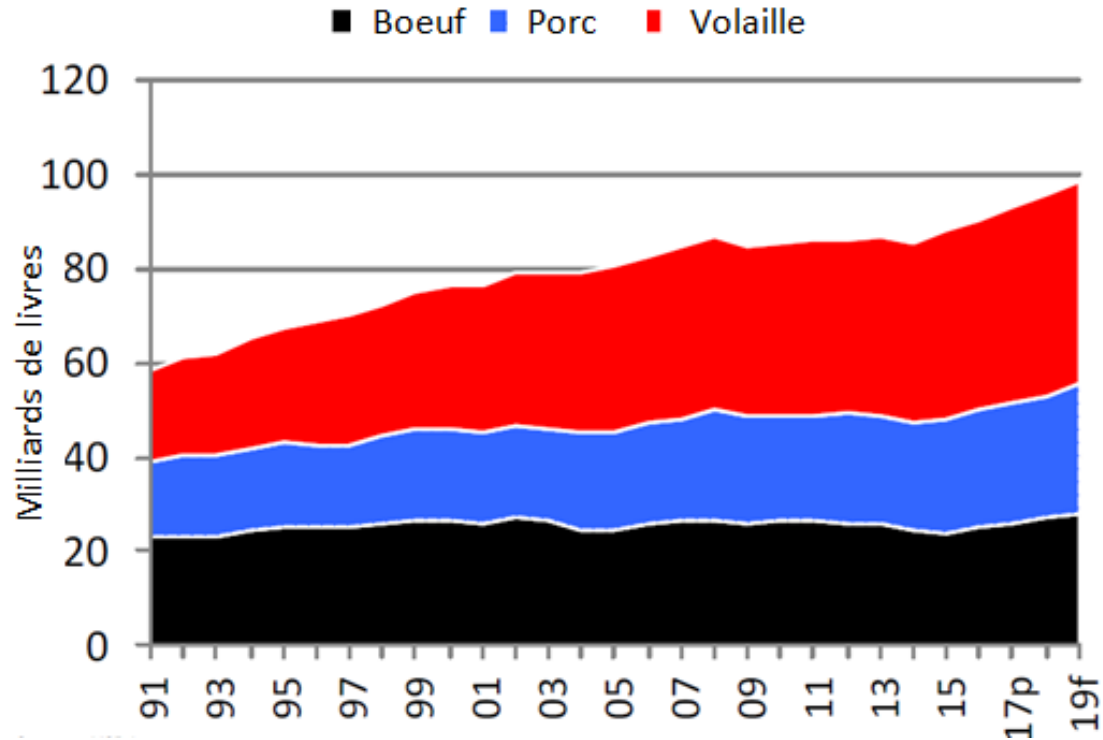


Sources :

- USDA and WASDE projection



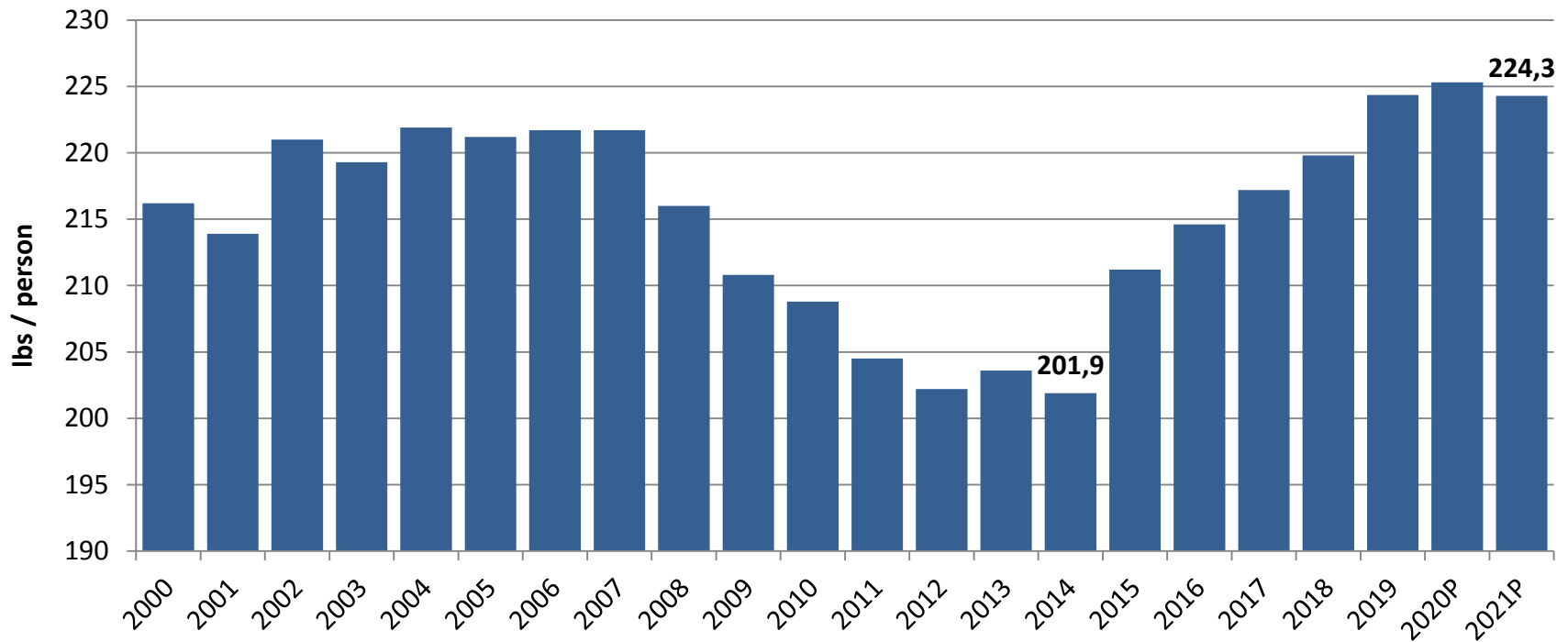
Beef – pork –poultry production in United-States



Sources :
• USDA

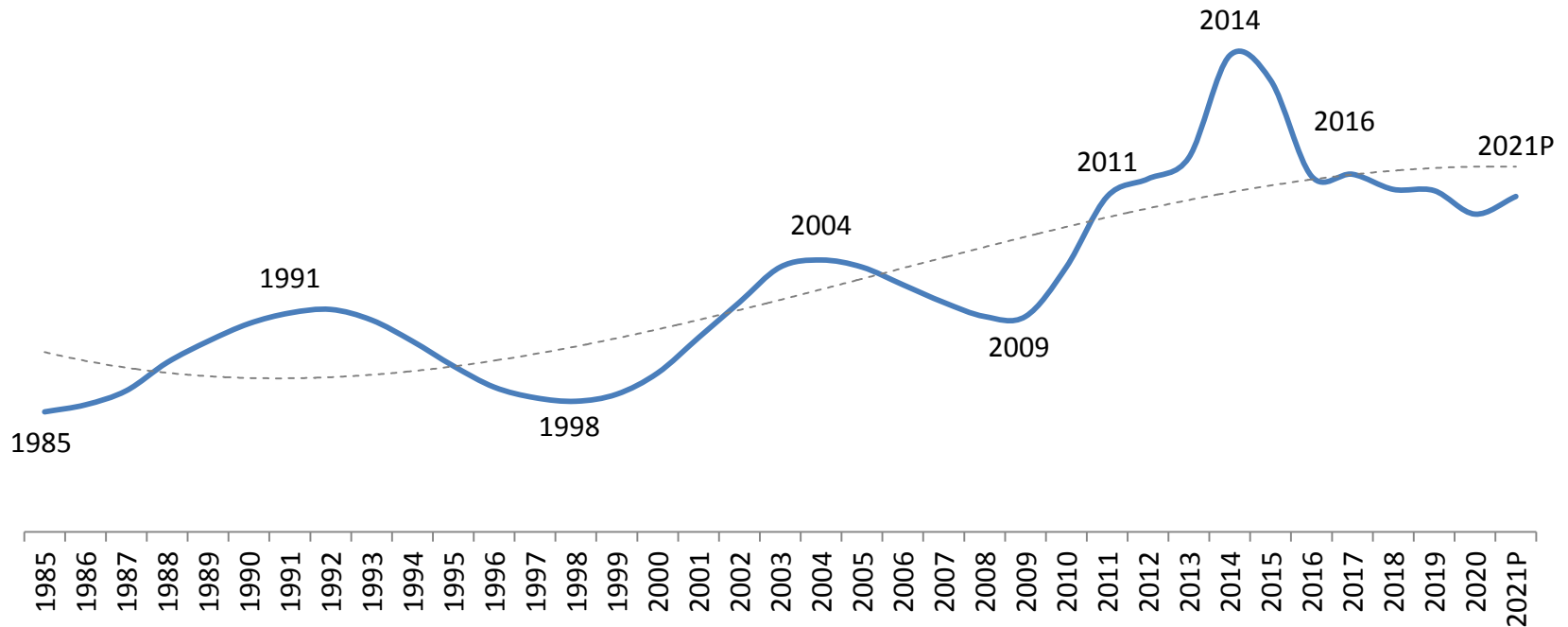


Beef – pork – poultry Consumption per capita in United-States (lb)



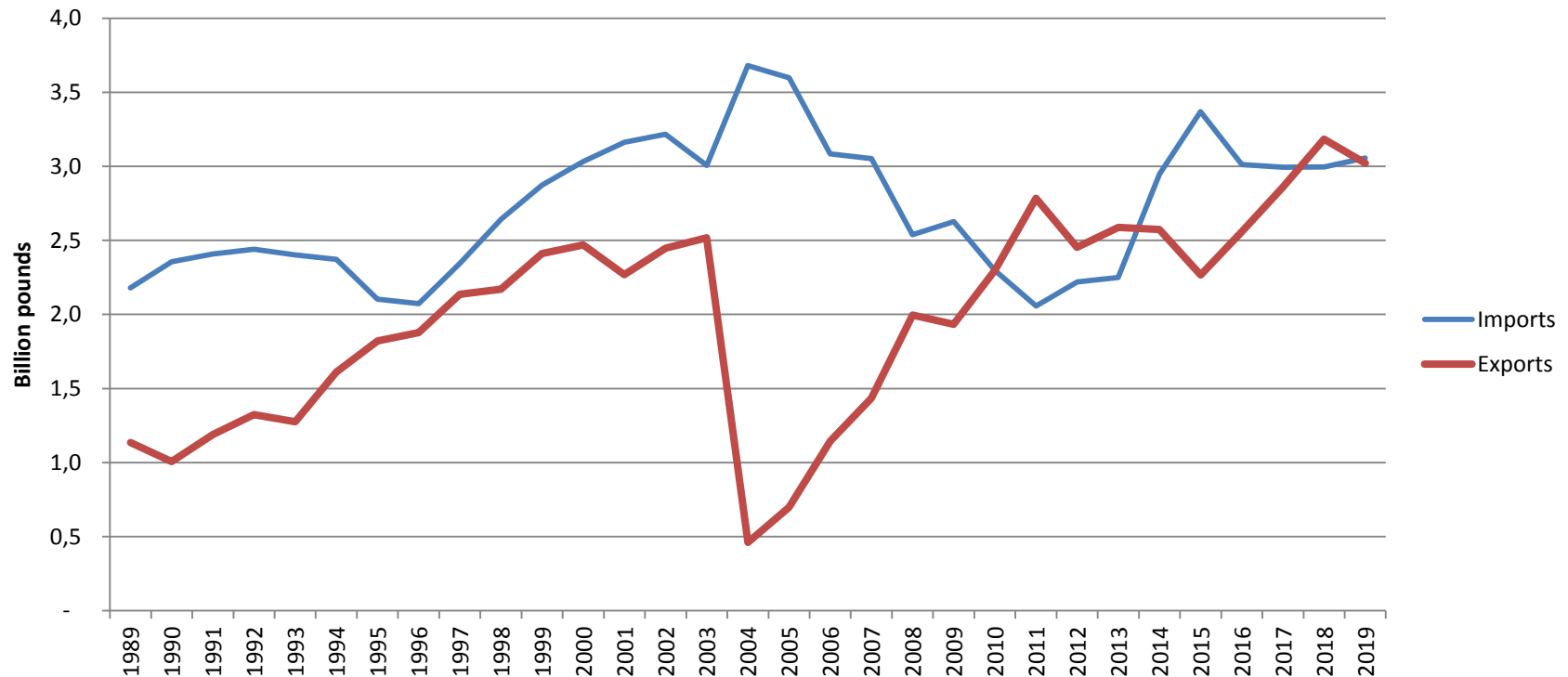
Source :
• USDA

Cattle price cycle in United-States



Sources :
• CattleFax

Beef imports and exports in United-States



Sources :

- USDA et Cattlefax



Short term outlook

- Now that the backlog of cattle has been cleared, the cattle market is returning to a sense of normalcy.
- 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 winter.

Long term outlook

- Beef cattle herd contraction is underway in United-States which should have lead to less beef production and somewhat firmer prices.
- However, due to the backlog of cattle created by the pandemic, the decline in production is not expected until the second half of 2021.
- Rising exports to China and growing optimism for COVID-19 vaccine are expected to support the market in the medium to long term.

Source : Canfax, CattleFax, Canadian Boxed Beef Report



PRODUCTEURS DE BOVINS DU QUÉBEC

Sources :

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

Links:



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

Thank you!

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