

The following information is collected from various sources and disseminated by the Ontario Cattlemen's Association.

**Tuesday October 14, 2008**

**ONTARIO DIRECT TO PACKER RAILGRADE CATTLE TRADE**

Prices are on a carcass weight basis, before grade and weight discounts.

**A grade steers** 149.00-150.00 sales to 152.00  
**A grade heifers** 148.00-150.00

**ONTARIO LIVE CATTLE TRADE**

Today at: **Brussels Livestock – 250 fed cattle, 200 cows.**

	Price Range	Top
<b>Choice steers &amp; heifers</b>	87.00-92.00	94.50
<b>Second cut cattle</b>	85.00-87.00	
<b>Good Beef Cows</b>	50.00-60.00	74.00

Fed steers and heifers traded on a steady market. Cow sold at prices \$2.00 higher.

Today at the **Ontario Livestock Exchange: 272 Veal, 106 Cows**

	Price Range	Top Price
<b>Cows</b>	48.00-60.00	81.00
<b>Veal: Good Hol</b>	105.00-115.00	
<b>Good Beef</b>	106.00-137.00	
<b>Med Hol</b>	88.00-96.00	
<b>Plain Hol</b>	75.00-85.00	
<b>Heavy Hol</b>	85.00-90.00	

Cows sold on a steady market. Veal traded steady to slightly stronger.

Today at the **Ontario Stockyards Inc: 40 Veal**

	Price Range	Top Price
<b>Veal 600 lbs +</b>	100.00-120.00	

Veal traded on a steady market.

**At Talbotville Livestock: October 11, 2008- 189 head**

	Price Range	Top
<b>Good &amp; choice steers</b>	82.00-92.00	
<b>Good &amp; choice heifers</b>	83.00-90.00	
<b>Export Cows</b>	41.00-52.00	
<b>Good Cows</b>	45.00-54.00	
<b>Good Bulls</b>	55.00-68.00	
<b>Good Veal (no choice on offer)</b>	92.00-102.50	

Fed steers and heifers sold steady to the lower decline that has come into play in the market this week. Cows traded sluggishly, bulls sold steady and good veal calves traded very strong with no choice calves on offer.

**At Kawartha Lakes Co-op Auction Market: August 30, 2008**

	Price Range	Avg	Top
<b>Cows</b>	33.00-60.00	46.94	60.00
<b>Bulls under 1600 lbs</b>	49.00-95.50	67.05	98.00
<b>Bulls over 1600 lbs</b>	56.00-56.50	56.16	56.50

Cows sold at prices \$2.00 lower while stockers sold steady. 1,000 stockers are expected for Wednesday's Angus and X Bred Stocker Sale with mostly vaccinated cattle on offer.

Ontario auction sales on **Friday, Saturday and Monday** saw weighted prices for:

	Price Range	Average	Top Price
<b>Cows</b>	35.72-56.06	45.61	64.00
<b>Bulls- all weights</b>	48.81-78.39	62.01	98.00
<b>Veal Calves under 125 lbs</b>	64.93-127.66	103.06	400.00

**ONTARIO REPLACEMENT TRADE**

Stocker Sale at: **Brussels Livestock, Oct 10, 2008**

<b>STEERS</b>	Price Range	Avg	Top	<b>HEIFERS</b>	Price Range	Avg	Top
<b>1000+</b>	89.75-101.75	97.10	101.75	<b>900+</b>	80.00-91.00	85.93	91.00
<b>900-999</b>	98.75-96.25	92.00	98.00	<b>800-899</b>	81.50-99.00	88.90	104.00
<b>800-899</b>	84.0-98.75	93.03	98.75	<b>700-799</b>	79.50-87.50	84.03	93.75
<b>700-799</b>	77.00-112.00	94.63	112.00	<b>600-699</b>	85.00-104.50	94.90	107.00
<b>600-699</b>	95.00-115.00	105.71	115.00	<b>500-599</b>	90.00-111.00	101.93	111.00
<b>500-599</b>	102.00-119.25	110.00	119.25	<b>400-499</b>	99.00-109.00	104.22	118.00
<b>400-499</b>	100.00-115.00	108.18	121.00	<b>300-399</b>	88.00-105.00	97.71	105.00
<b>399-</b>	105.0-107.00	105.59	114.00				

Stocker Sale at: **Temiskaming Livestock Sales, Oct 13, 2008**

<b>STEERS</b>	Price Range	Avg	Top	<b>HEIFERS</b>	Price Range	Avg	Top
<b>600-699</b>	70.00-102.75	97.70	102.75	<b>600-699</b>	75.50-105.00	88.38	105.00
<b>500-599</b>	79.00-106.25	99.59	106.25	<b>500-599</b>	84.00-100.00	91.43	100.00
<b>400-499</b>	93.50-113.00	100.44	125.00	<b>400-499</b>	88.50-112.50	100.36	112.50

Stocker Sale at: **Vankleek Hill Livestock Exchange, Oct 13, 2008**

<b>STEERS</b>	Price Range	Avg	Top	<b>HEIFERS</b>	Price Range	Avg	Top
<b>600-699</b>	80.00-97.50	89.62	97.50	<b>500-599</b>	67.00-93.00	81.04	93.00
<b>500-599</b>	70.00-112.00	94.48	112.00				
<b>400-499</b>	67.00-113.00	85.89	113.00				
<b>399-</b>	92.00-108.00	100.48	108.00				

**REPLACEMENT TRADE SPECIAL FALL SALES**

Stocker Sale at: **Keady Livestock Sales, Oct 10, 2008-** 1,952 Yearlings- Overnight Stand

<b>STEERS</b>	Price Range	Avg	Top	<b>HEIFERS</b>	Price Range	Avg	Top
<b>1000+</b>	100.60-104.85	102.91	104.85	<b>900+</b>	91.10	91.10	91.10
<b>900-999</b>	103.50-109.60	106.53	109.60	<b>800-899</b>	101.25	101.25	101.25
<b>800-899</b>	108.75-109.10	108.84	109.10	<b>700-799</b>	98.75-100.85	100.06	100.85

Yearling cattle sold actively on a strong demand.

**LIVE CATTLE EXPORTS-ONTARIO**

	Week ending Oct 4, 08	Week ending Sept 27, 08	Year to Date
Live slaughter cattle exported from Ontario to the US.	4,179	3,621	170,901

**LIVE CATTLE IMPORTS-ONTARIO** (updates are currently unavailable.)

	Week ending May 3, 08	Week ending Apr 26, 08	Year to Date
Live slaughter cattle imported from the US into Ontario	0	0	0

**AVERAGE CARCASS WEIGHTS – CANADA**

	<b>Steers</b>	<b>Heifers</b>
Oct 4, 2008	860	813
Oct 6, 2007	867	807

**FEDERALLY INSPECTED CANADIAN KILL**

	Week Ending	YTD	% of Yr. Ago
	Oct 4, 2008		
<b>Grand Total</b>	62,673	2,467,781	99%
<b>Alberta Slaughter</b>	43,600	1,722,850	103%
<b>Ontario Slaughter</b>	11,188	432,669	91%

**USDA ESTIMATED CATTLE KILL**

	Week Ending	Previous Week	Year Ago
	Oct 11, 2008		
<b>Grand Total</b>	650,000	630,000	639,000

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

US cash cattle trade remained very quiet today with little business expected to surface before Thursday at the earliest. No bids have been reported with asking prices undefined. Asking prices are expected to be around \$94.00-\$95.00 live and \$148.00 dressed.

**Choice and select steers and heifers:**      Live      N/T  
    Rail      N/T

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

	<b>Choice 600-900</b>	<b>Select 600-900</b>
<b>Cutout Values:</b> (noon estimate)	149.90	139.53
<b>Change:</b> (from Friday's close)	+0.82	-1.70
<b>Current 5 day average:</b>	150.86	143.92

**CHICAGO MERCANTILE EXCHANGE**

Closing quotes on futures on **MONDAY** were as follows:

<b>Live Cattle</b>				<b>Feeder Cattle</b>				<b>Corn</b>				<b>Soybeans</b>				<b>Canadian \$</b>			
\$/cwt US				\$/cwt US				\$/bu US    ¢/bu				\$/bu US    ¢/bu							
<b>Oct</b>	91.00	+1.87		<b>Oct</b>	96.95	+1.50		<b>Dec</b>	4.114	+3.2		<b>Nov</b>	9.280	+18.0		<b>Spot</b>	n/trade		
<b>Dec</b>	93.00	+1.70		<b>Nov</b>	96.17	+1.12		<b>Mar</b>	4.294	+3.6		<b>Jan</b>	9.434	+18.0		<b>Dec</b>	86.56	+2.13	
<b>Feb</b>	93.45	+1.62		<b>Jan</b>	96.82	+1.77		<b>May</b>	4.412	+3.6		<b>Mar</b>	9.566	+17.2		<b>Mar</b>	86.80	+2.13	
<b>Apr</b>	94.40	+1.95		<b>Mar</b>	98.15	+1.75		<b>Jul</b>	4.520	+3.6		<b>May</b>	9.666	+17.0		<b>Jun</b>	86.89	+2.13	
<b>Jun</b>	91.30	+1.40		<b>Apr</b>	98.70	+1.60		<b>Sep</b>	4.600	+6.6		<b>Jul</b>	9.740	+16.4		<b>Sep</b>	86.90	+2.13	
<b>Aug</b>	92.05	+1.17		<b>May</b>	99.40	+1.90		<b>Dec</b>	4.664	+6.0		<b>Aug</b>	9.770	+18.0		<b>Dec</b>	86.91	+2.13	

Closing quotes on futures today were as follows:

<b>Live Cattle</b>				<b>Feeder Cattle</b>				<b>Corn</b>				<b>Soybeans</b>				<b>Canadian \$</b>			
\$/cwt US				\$/cwt US				\$/bu US    ¢/bu				\$/bu US    ¢/bu							
<b>Oct</b>	91.52	+0.52		<b>Oct</b>	97.20	+0.25		<b>Dec</b>	4.112	-0.2		<b>Nov</b>	8.960	-32.0		<b>Spot</b>	86.10	+1.85	
<b>Dec</b>	93.35	+0.35		<b>Nov</b>	97.05	+0.87		<b>Mar</b>	4.290	-0.4		<b>Jan</b>	9.112	-32.2		<b>Dec</b>	86.30	-0.26	
<b>Feb</b>	93.90	+0.45		<b>Jan</b>	97.35	+0.52		<b>May</b>	4.406	-0.4		<b>Mar</b>	9.246	-32.0		<b>Mar</b>	86.44	-0.36	
<b>Apr</b>	94.62	+0.22		<b>Mar</b>	98.95	+0.80		<b>Jul</b>	4.516	-0.2		<b>May</b>	9.356	-31.0		<b>Jun</b>	86.53	-0.36	
<b>Jun</b>	91.52	+0.22		<b>Apr</b>	99.25	+0.55		<b>Sep</b>	4.596	-0.2		<b>Jul</b>	9.436	-30.2		<b>Sep</b>	86.54	-0.36	
<b>Aug</b>	92.22	+0.17		<b>May</b>	100.00	+0.60		<b>Dec</b>	4.670	+0.4		<b>Aug</b>	9.462	-30.6		<b>Dec</b>	86.55	-0.36	

Ontario Cattlemen's Association, 130 Malcolm Rd., Guelph, ON N1K 1B1 Phone: (519) 824-0334 Fax: (519) 824-1930 or email:

[mktinfo@cattle.guelph.on.ca](mailto:mktinfo@cattle.guelph.on.ca)

To whom it may concern,

Over the last five years there have been significant changes in the Canadian-U.S. fed cattle cash basis and more specifically the Toronto-Nebraska fed cattle cash basis. The fed cattle basis has a significant impact on the profitability of Canadian cattle producers. At the same time over the last five years the basis has shifted away from historical trends and given all of the different variables at play including shifts in market access, processor ownership, regulations, the dollar, etc the extent to which individual variables have impacted the basis is not clearly understood. For example, Canadian-U.S. regulations have changed for exporting fed cattle, which has created additional costs for Canadian cattle feeders. Similarly, regulations for the removal and disposal of specified risk material and rising labor costs have adversely impacted packer margins, which have also placed pressure on the fed cattle basis. Recent changes in domestic packer structure and the implementation of country of origin labeling in the U.S. will continue to change and influence the fed cattle basis and need to be understood moving forward.

With the large number of factors that have impacted Canadian fed cattle market dynamics, significant uncertainty has arisen around the actual extent different economic and government factors have impacted the basis in both the short term and also in the longer term. Therefore Canfax Research Services, with the support of the Ontario Cattlemen's Association and Alberta Beef Producers, has initiated a comprehensive analysis that will identify and measure the effects of various drivers of basis change. Having a better understanding of the extent to which different economic and regulatory variables have had an impact on the fed cattle basis will assist producers and industry analysts in understanding how these new dynamics need to be incorporated into their marketing decisions in terms of the timing and location where they market their fed cattle.

A portion of the research will use existing data, but we also need to obtain *transaction level data from feedlots* in both eastern and western Canada in order to conduct more in-depth analysis. Therefore Canfax Research Services is requesting the participation of feedlots to submit *transaction level data over the 2006-2009 time period*, with most of the data required being included on a standard feedlot closeout sheet.

**Canfax Research Services will be responsible for compiling all of the data, which will be kept confidential with the researchers involved only having access to the transaction data and province of origin.** The researchers will not be provided the feedlot's name or specific location in order to ensure confidentiality. Experienced researchers Dr. Clem Ward and Dr. Ted Schroeder have been contracted to do the analysis. If you are interested in participating or have questions please contact Brenna Grant at [grantb@canfax.ca](mailto:grantb@canfax.ca) or 403-275-8558.

Sincerely,

Brenna Grant  
Research Analyst  
Canfax Research Services