



Weekly Market Information Report

Week ending Thursday February 3, 2005



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

IMPORTANT MESSAGE AT END OF THIS REPORT

ONTARIO DIRECT TO PACKER RAILGRADE CATTLE TRADE

This is a summary for the **week** of rail grade prices on a carcass weight basis, before grade and weight discounts.

	Price Range	Last Week
A grade steers	N/T	153.00-156.00
A grade heifers	N/T	151.00-154.00

ONTARIO LIVE CATTLE TRADE

Ontario auction sales this **week** saw weighted average price ranges for **FED CATTLE**

	Price Range	Average	Top	Last week avg.
Large Frame Steers +1250	80.33-94.80	88.92	113.25	89.93
Medium Frame Steers +1250	74.16-92.97	85.32	110.00	85.75
Large & Medium Frame Steers +1250	79.20-94.87	88.06	113.25	89.12
Large Frame Heifers +1000	81.71-97.69	88.92	100.50	88.91
Medium Frame Heifers +1000	72.71-89.31	81.31	100.00	79.87
Large & Medium Frame Heifers +1000	74.99-94.69	85.77	100.50	86.19
Cows-all weights	13.71-24.94	19.45		19.51
Bulls-all weights	26.17-41.51	34.51	104.00	29.79

STOCKERS – Large & Medium Frame

STEERS	Price Range	Average	Top
1000+	84.78-102.21	94.88	105.50
900-999	94.13-105.48	100.69	110.25
800-899	89.41-106.02	98.14	111.50
700-799	101.47-113.31	108.74	117.00
600-699	101.34-122.36	113.72	128.50
500-599	108.17-130.81	120.53	143.00
400-499	100.36-127.36	115.85	138.00

HEIFERS	Price Range	Average	Top
900+	81.91-96.16	90.95	102.75
800-899	82.76-99.47	92.57	111.50
700-799	86.95-102.72	94.88	109.00
600-699	88.34-110.21	99.36	118.00
500-599	89.22-107.66	99.11	115.00
400-499	87.30-106.24	98.02	120.00

At Talbotville Livestock: Saturday January 29, 2005

	Price Range	Top
Good & choice steers	81.00-95.00	112.00
Good & choice heifers	80.00-92.00	102.50
Cows	17.00-28.00	35.00
Bulls	25.00-40.00	

Fancy and high yielding cattle were steady with last week while others were a bit lower.

Stocker Sale: Brussel's Livestock, January 28, 2005

STEERS	Price Range	Top	HEIFERS	Price Range	Top
1000+	92.00-105.35	105.35	900+	83.00-101.00	102.75
900-999	95.50-105.25	109.00	800-899	96.00-111.50	111.50
700-799	103.25-111.75	112.00	600-699	94.00-116.00	118.00
600-699	113.50-125.00	128.00	500-599	96.00-106.50	115.00
500-599	117.50-140.00	143.00	400-499	95.50-110.75	120.00
400-499	124.00-138.00	138.00			

Stocker Sale: Keady Livestock, February 1, 2005

STEERS	Price Range	HEIFERS	Price Range
+1000	86.50-103.75	+900	81.50-99.25
900-999	97.00-106.75	500-599	98.50-113.50
600-699	99.00-125.00		
500-599	125.50-131.00		

Denfield Livestock: February 1, 2005

	Price Range
Choice steers	95.00-105.00
Good steers	85.00-90.00
Plain steers	65.00-75.00
Choice exotic cross heifers	90.00-100.00
Good heifers	80.00-90.00
Plain heifers	60.00-70.00
Good fed cows	30.00-40.00
D1 & D2 cows	20.00-28.00
D3 & D4 cows	15.00-20.00
Good beef bulls	28.00-43.00
Good Holstein bulls	20.00-26.00

The market traded on a very active market at prices \$2-3 higher. A large offering of cows traded active at prices \$2-3 higher. A light offering of stockers traded active.

Stocker sale: Ontario Livestock Exchange, February 2, 2005

STEERS	Price Range	Top	HEIFERS	Price Range	Top
+1000	94.00-105.50	105.50	+900	94.50-99.75	99.75
900-999	101.00-110.25	110.25	800-899	89.75-100.25	100.25
800-899	104.00-109.25	109.25			
700-799	105.50-116.25	116.25			

Ontario Cattlemen's Association

Stocker Sale: **Ontario Stockyards – February 3, 2005**

STEERS	Price Range	Top	HEIFERS	Price Range	Top
800-899	94.25-111.50	111.50	700-799	90.50-102.25	102.50
700-799	107.25-117.00	117.00	600-699	89.50-108.50	112.75
600-699	104.50-123.50	128.50	500-599	88.50-110.00	114.00
500-599	114.00-134.50	135.00	400-499	84.00-106.00	109.00
400-499	95.00-126.50	134.50			

CANADIAN BOXED BEEF CUTOUT VALUE

Week ending – January 28, 2005	AAA	AA
Cutout value	1.6814	1.6289
Last week	1.7106	1.6592

AVERAGE CARCASS WEIGHTS – CANADA

	STEERS	HEIFERS
Jan. 22, 2005	829	767
Jan. 24, 2004	855	812

FEDERALLY INSPECTED CANADIAN KILL

	Week Ending Jan. 22, 2005	YTD	% of Yr. Ago
Grand Total	75,643	204,608	101%
Alberta Slaughter	51,264	134,623	95%
Ontario Slaughter	12,330	36,508	110%

USDA ESTIMATED CATTLE KILL

	Week Ending Jan. 29, 2005	Last Week	Year Ago
Grand Total	589,000	587,000	599,000

ALBERTA DIRECT TRADE

Week ending **Thursday February 3, 2005**

Steers	Live	82.00-87.45	Flat rail	140.50-143.55
Heifers	Live	82.75-84.25	Flat rail	140.00-142.00

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

Week ending **February 3, 2005**

Weekly range for choice and select steers and heifers:	Live	\$91.00
	Rail	\$141.00-142.00

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

	Choice	Select
	600-900	600-900

Ontario Cattlemen's Association

Current 5 day average:	144.13	138.90
-------------------------------	--------	--------

BEEF EXPORTS

	United States Jan 2– Jan 29	Mexico Jan 4 – Dec. 4/04
Total	21,768 tonnes	79,503 tonnes

BEEF IMPORTS

	Jan 1 – Jan 22, 2005	Last Year Same Time	% Change
Total	3,616 tonnes	2,505 tonnes	+44.4%

BEEF PRODUCTION

	Jan 1 – Jan 29	Last Year Same Time	% Change
Fed	84,290 tonnes	90,286 tonnes	-6.6%
Non-fed	13,387 tonnes	9,521 tonnes	+40.6%

CHICAGO MERCANTILE EXCHANGE

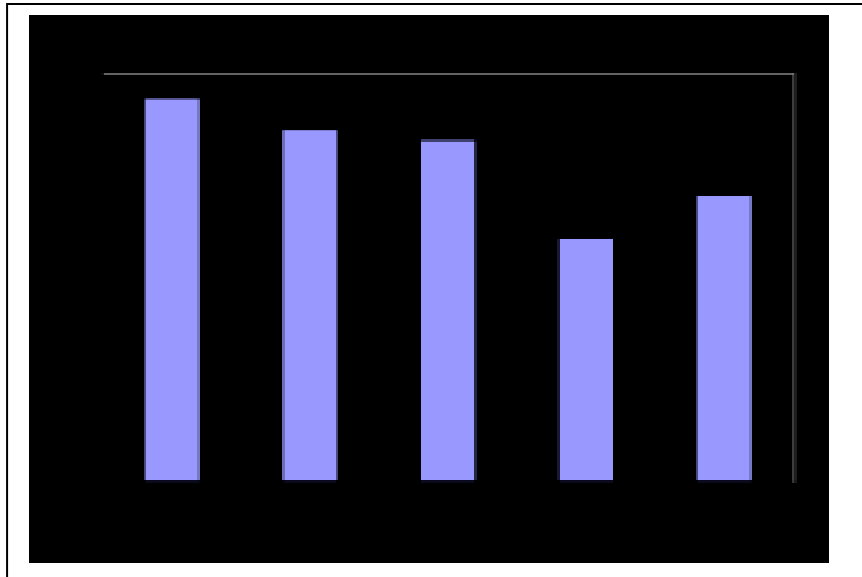
Closing quotes on futures today were as follows:

Live Cattle			Feeder Cattle			Corn			Soybeans			Canadian \$		
\$/cwt US			\$/cwt US			\$/bu US		¢/bu	\$/bu US		¢/bu			
Feb	90.92	-0.07	Mar	99.27	-0.52	Mar	1.950	+0.0	Mar	4.994	-2.4	Spot	80.10	-0.37
Apr	88.17	-0.07	Apr	98.97	-0.57	May	2.030	+0.0	May	5.022	-2.0	Mar	80.08	-0.46
Jun	82.42	-0.32	May	98.50	-0.47	Jul	2.102	-0.2	Jul	5.070	-2.6	Jun	80.17	-0.46
Aug	80.47	-0.27	Aug	100.00	-0.42	Sep	2.176	-0.2	Aug	5.102	-2.6	Sep	80.30	-0.46

Live Steers – January comparison

--

Stocker steers – January comparison



Week Ending February 3, 2005

Ontario fed cattle trade was strong again this week. There were 1,540 head of finished steers and heifers sold live through Ontario auction markets. The average fed steer price was \$88.06 down \$1.06 and the average heifer price was \$85.77 down \$0.42 from last week. Auction markets reported fed cattle sold actively on a strong demand at steady prices.

Slaughter cows saw fairly active trade as well. The volume of cows sold through auction markets was 1,809 up slightly from last week but down 38% from last year. This week's average price was \$19.45. Auction markets reported cows sold actively with strong steady prices.

Replacement cattle sold strong again this week. Volume sold was 4,577 down just slightly from last week. On average over all weight categories replacement steers are \$32.00 higher than last year and heifers are \$28.00 higher than they were this time last year. Auction markets reported stockers sold on a good strong demand with prices fully steady.

Direct to packer railgrade cattle prices were unestablished after last week's higher prices.

In Alberta, cattle markets saw light trade with prices steady to slightly stronger. Steers sold at \$82.00-87.45 live and \$140.50-143.55 flat rail. Heifers sold at \$82.75-84.25 live and \$140.00-142.00 flat rail.

U.S. cash cattle trade was only evident on Thursday. Trade was moderately active with prices \$1-2 higher. Steers and heifers sold at \$91.00 live and \$141.00-142.00 dressed. U.S. boxed beef cutouts are mixed with light to moderate movement.

Local beef trade saw moderate improvement over the last couple of weeks. This is likely a reflection of weather patterns. Pricing held steady. Canadian boxed beef cut-outs were weaker.

IMPORTANT UPDATE FROM CANADIAN CATTLEMEN'S ASSOCIATION

Senate Committee on Agriculture

The Senate Committee on Agriculture met Thursday, February 3 for a hearing on the impact of BSE on U.S. imports and exports of cattle and beef. The U.S. Secretary of Agriculture, Mike Johanns, was the sole witness called and was to provide evidence to the Committee in support of the USDA rule to re-open the border. He was supported by the APHIS Administrator, Ron DeHaven, and Chief Economist, Keith Collins.

Over the two and a half hour hearing, Secretary Johanns was questioned extensively about access to the Japanese market and the opening of the border to certain live cattle and all beef products. Senators Saxby Chambliss (GA), Norm Coleman (MN), and Jim Talent (MO) commended basing the U.S. guidelines on

sound science, while Senators Tom Harkin (IA) and Craig Thomas (WY) raised concerns about not strictly adhering to the guidelines, specifically regarding the feed ban. However, there was greater opposition to the inclusion of OTM beef than to resumption of trade in UTM animals. Notwithstanding the Republicans' general support for the Administration's action, Senators on both sides questioned the wisdom of potentially jeopardizing American processing jobs by proceeding with OTM meat while barring OTM cattle. The Secretary will request USDA to review this aspect of the rule.

There were numerous questions on the potential impact of opening the border to Canadian beef and cattle on re-opening export markets. Johanns reaffirmed that by following sound science with this rule, it would set a precedent for the international community to follow.

There were a few questions regarding the efficacy of Canada's food safety measures raised, but these were addressed by Dr. DeHaven. The USDA will release their report on the investigation into feed ban compliance in mid February.

In terms of the economic impact, Keith Collins did acknowledge that the USDA's estimate for imports in 2005 being 2 million Canadian head was likely overstated. He indicated that they had not taken into account the increases in Canadian capacity.

Neither Senators Baucus and Conrad were present for the hearing, but Senator Harkin did reserve the right for these two Members to submit written questions for the Secretary.

NCBA Convention

Secretary Johanns also addressed the NCBA membership this morning in San Antonio at their Annual Convention. His message to the crowd reflected his strong commitment to proceed with the re-opening of the border on March 7th stating, "If a nation presents a minimal risk, then trade should resume." He reiterated that the rule is based on a scientific approach with a strong eye for protecting consumer safety and the long-term health of the U.S. industry. "We can't ignore trade. It's too big. Ignoring trade invites the restructuring of the industry. It moves processing to the other side of the border."

He also stressed that U.S. trade with other countries depends on how we resolve the situation in North America. "Trade is a two-way street. We can't behave as if what's good for the U.S. is not good enough for the rest of the world."

Upon questioning, Johanns did express his concern with the inclusion of OTM beef in the rule, while restricting live cattle trade to animals under thirty months. As he did in the Senate Agriculture Committee hearing, he acknowledged that this would seem to put U.S. industry at a disadvantage. He indicated that he is continuing to evaluate the inclusion of OTM beef in the rule.

Kelsey Chomistek
Policy Assistant
CANADIAN CATTLEMEN'S ASSOCIATION