INTERNATIONAL MEAT CONSULTATIVE GROUP

Statement made by the Representative of Canada on 12 June 1975

CATTLE

The estimated number of cattle on farms in Canada increased from 1 January 1974, to 1 January 1975, by 6 per cent, 808,000 head to a total of 14,018,000.

During the same period our Federally Inspected slaughter increased 4 per cent to 3,044,700.

To the end of May 1975, slaughter is 1½ per cent above last year but the rate of increase has slowed in May from the earlier months. During the first five months cattle and calf slaughter increased by 281,000 which will have reduced last year’s herd increase of 808,000 to a residual of 526,000. Current slaughter rates will not eliminate last year’s herd growth nor the 1975 calf crop. Slaughter of females has increased markedly, heifers by 55 per cent and cows by 26 per cent, but this slaughter rate is declining and with prospects good for Western pastures cow slaughter will return to near 1974 levels although heifer marketings may remain high. Attractive milk prices in Eastern Canada may favour retention of more dairy heifers on the farm. However, it is expected that total cattle slaughter will remain above 1974 levels by 8–10 per cent and that the 1976 number of cattle on farms will be 2–4 per cent above the 1975 figure.

Prices are difficult to predict. Currently prices for A1 and A2 steers are at the 50 cent per pound level. This is below the peaks of the past year but the level has been sustained for five weeks which is a longer period than during the previous periods of high prices. These levels may be sustained and strengthened during the summer period as top quality fed cattle are in limited supply. Fall prices may ease slightly as cattle are moved from pastures before winter.

The outlook of increased grain feeding hinges on the price and availability of feed grains after this summer’s harvest. It is expected that conditions for feeding will be improved from 1973–74. If this improvement does materialize, slaughter prices should remain relatively firm in the fall.
Canadian and United States prices are very close and are expected to remain close during the short term. When and if current restrictions to cross border trade in live cattle and beef are eliminated, Canadian prices will assume their usual relationship to those in the United States as part of the North American livestock economy.

HOGS

Federally inspected hog slaughter in 1974 was 2.5 per cent above 1973 but started to decline in the third quarter with the fourth quarter being down 2 per cent. This trend has continued into 1975 with marketings to date being down 13 per cent. Significantly this decline is sharpest in the Western Provinces (27 per cent) as the grain producers chose to market their feed grains as such rather than feed hogs. In Eastern Canada the decline is only 2.3 per cent.

The 1 April 1975 estimate of hogs on farm is 5.6 million head, 20 per cent below the previous year. Animals kept for breeding are 16 per cent below as are farrowing intentions. It is, therefore, expected that 1975 slaughter will be 15 per cent under 1974. However, if there is significant change in the feed grain situation and prices drop or grain marketing slows, additional hogs may be retained for breeding with consequent further reduction in slaughter in late 1975 early 1976 but increased marketing in late 1976. Presently some increased activity in swine breeding is taking place.

HOG PRICES

To date this year prices for hogs (Index 100 Toronto) averaged $56.40, 20 per cent above the previous year. The current market is very strong and prices are at the peak reached in the 1973 summer meat crisis. Some of the current price strength is related to strong beef prices, domestic demand and some export stimulation. On the demand side, net trade with the United States on pork cuts to date is 36 million pounds in favour of the United States against the 1974 trade pattern.

During the summer prices will probably remain high but slightly below present levels, ranging in the high 60's. Fall prices will be at lower levels but still close to 60 cents per pound. Prices beyond that period will respond to the overall meat supply rather than to hog marketings alone. Presently it appears that they will remain strong relative to those in late 1974 early 1975.