



Cattle

US Cattle

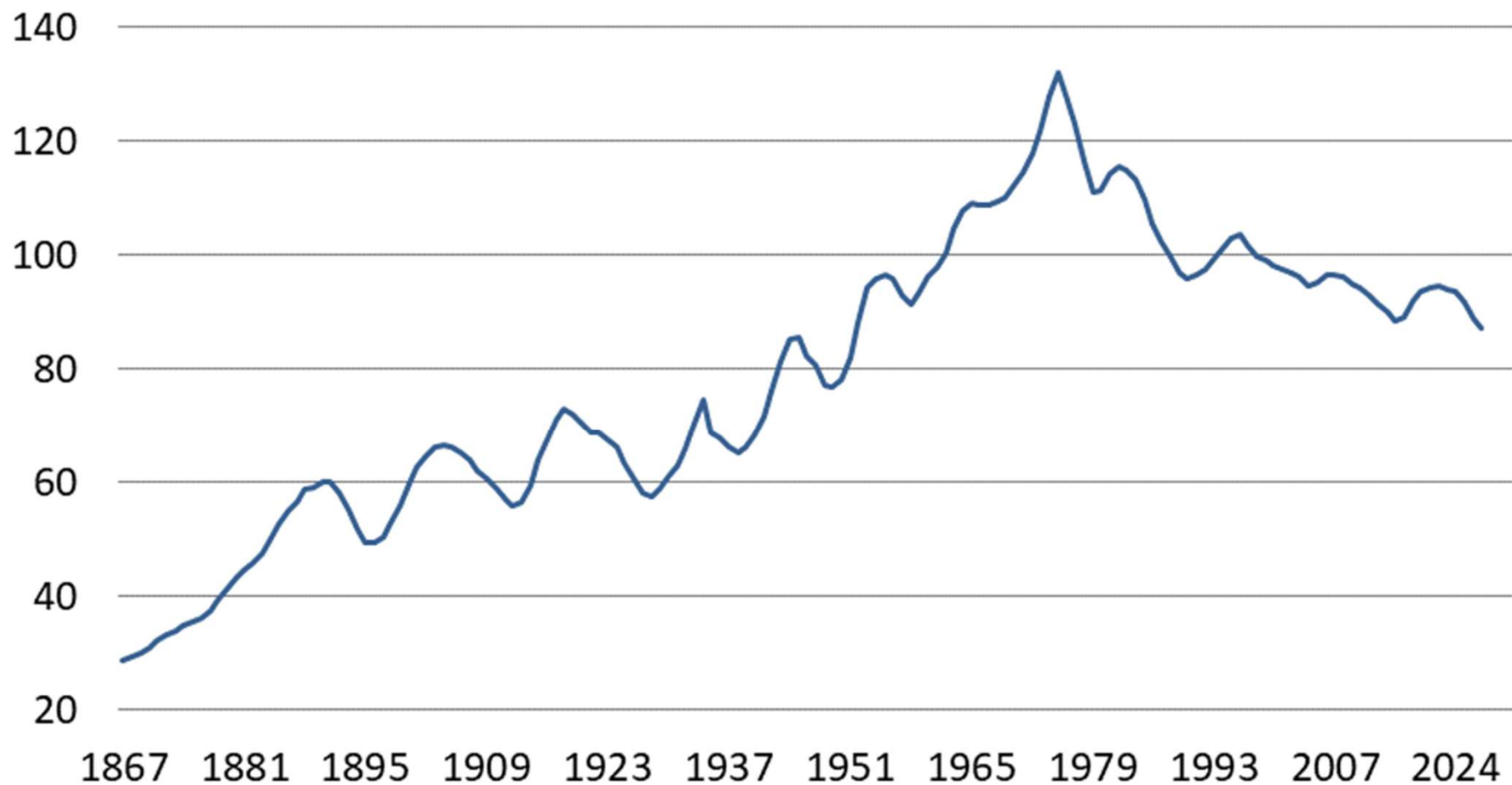
- The production outlook is raised from last month for both 2024 and 2025.
- Fourth quarter 2024 production is forecast marginally higher than last month, raising the annual forecast to 27.025 billion pounds.
- This is based on a slower expected pace of fed cattle marketings that is more than offset by higher expected cow slaughter and heavier carcass weights for the rest of the year.
- The outlook for 2025 production is raised to 26.280 billion pounds on higher anticipated fed cattle marketings and heavier carcass weights from last month.
- Quarterly cattle price forecasts in 2025 are raised each quarter on a faster pace of marketings anticipated next year.
- Based on September trade data, U.S. beef imports are raised in late 2024 and in second-half 2025.
- The outlook for U.S. beef exports is raised for next year based on greater expected beef production in 2025.



All Cattle and Calves Inventory – United States: January 1

2024 Inventory: 87,157,400 head

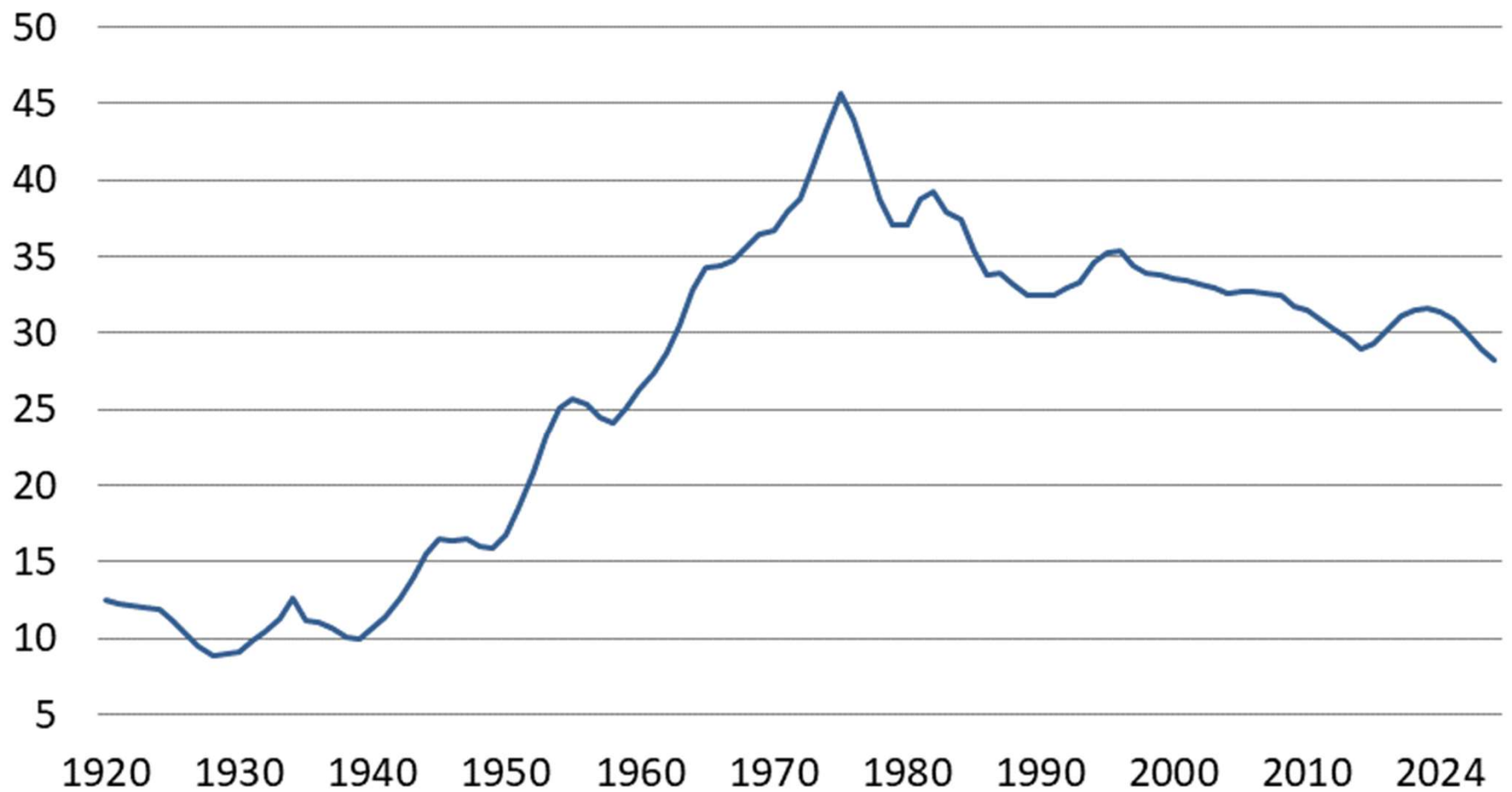
Million head



Beef Cow Inventory – United States: January 1

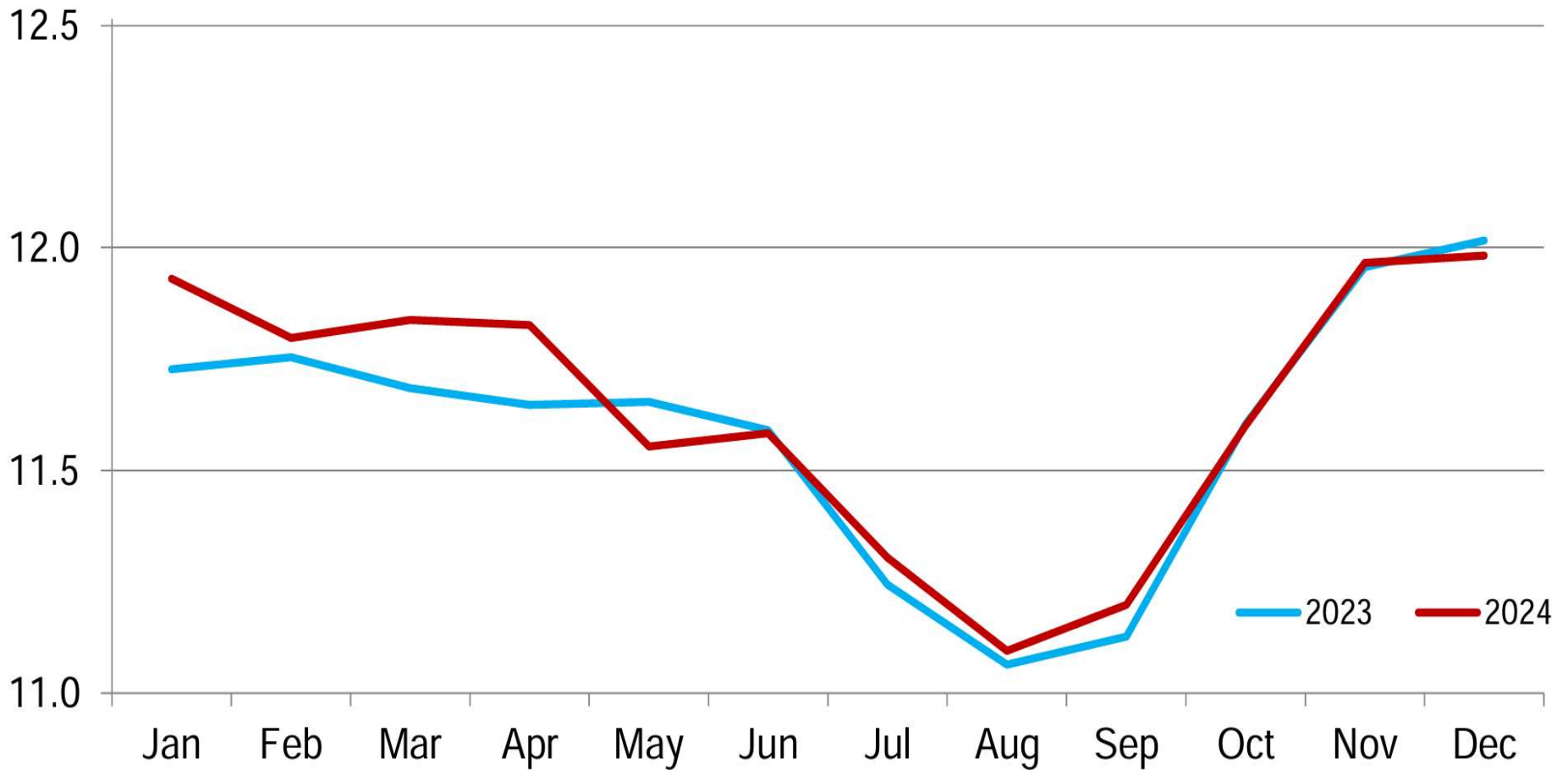
2024 Inventory: 28,223,000 head

Million head



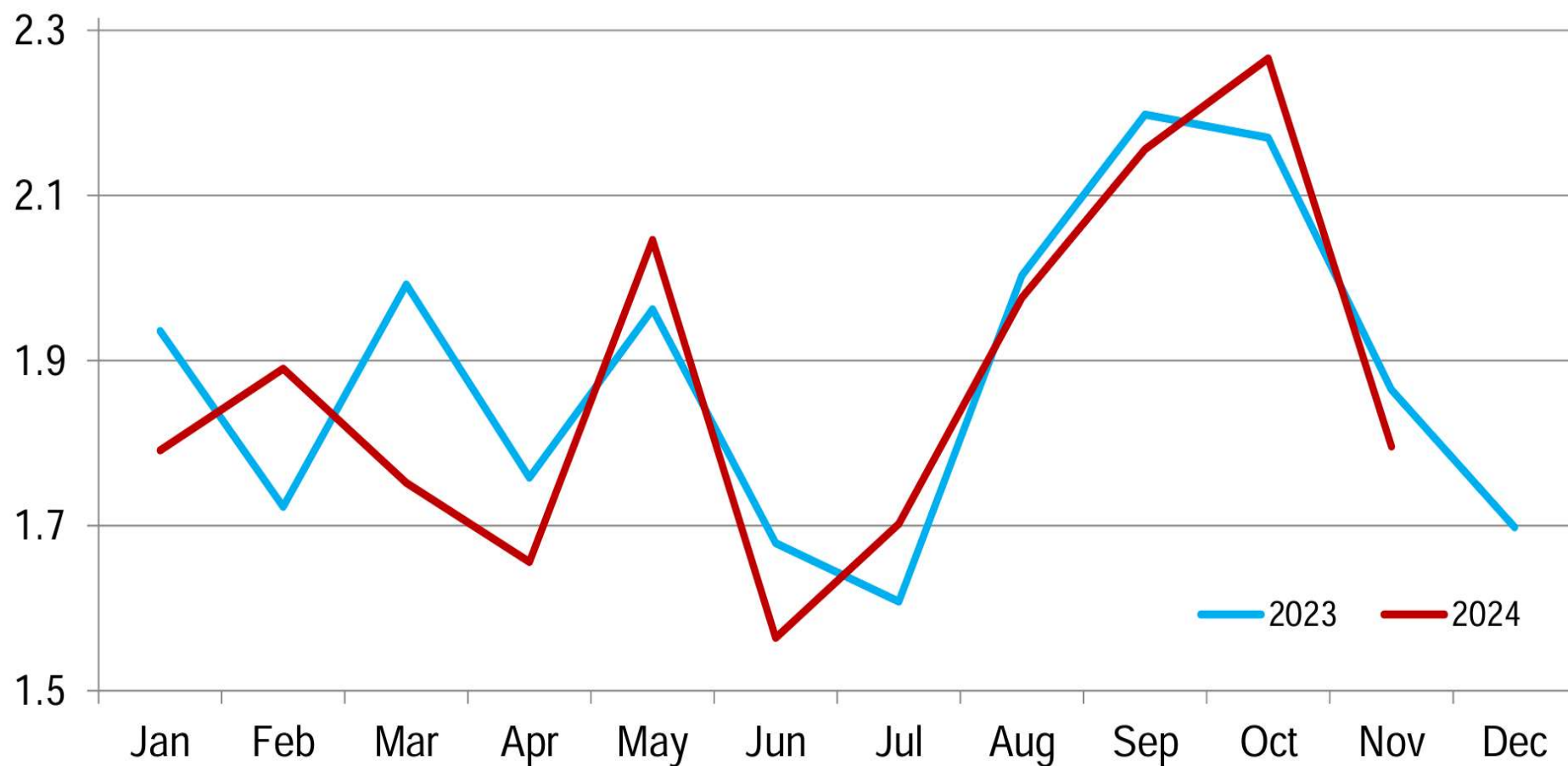
Cattle on Feed Inventory on 1,000+ Capacity Feedlots – United States

Million head



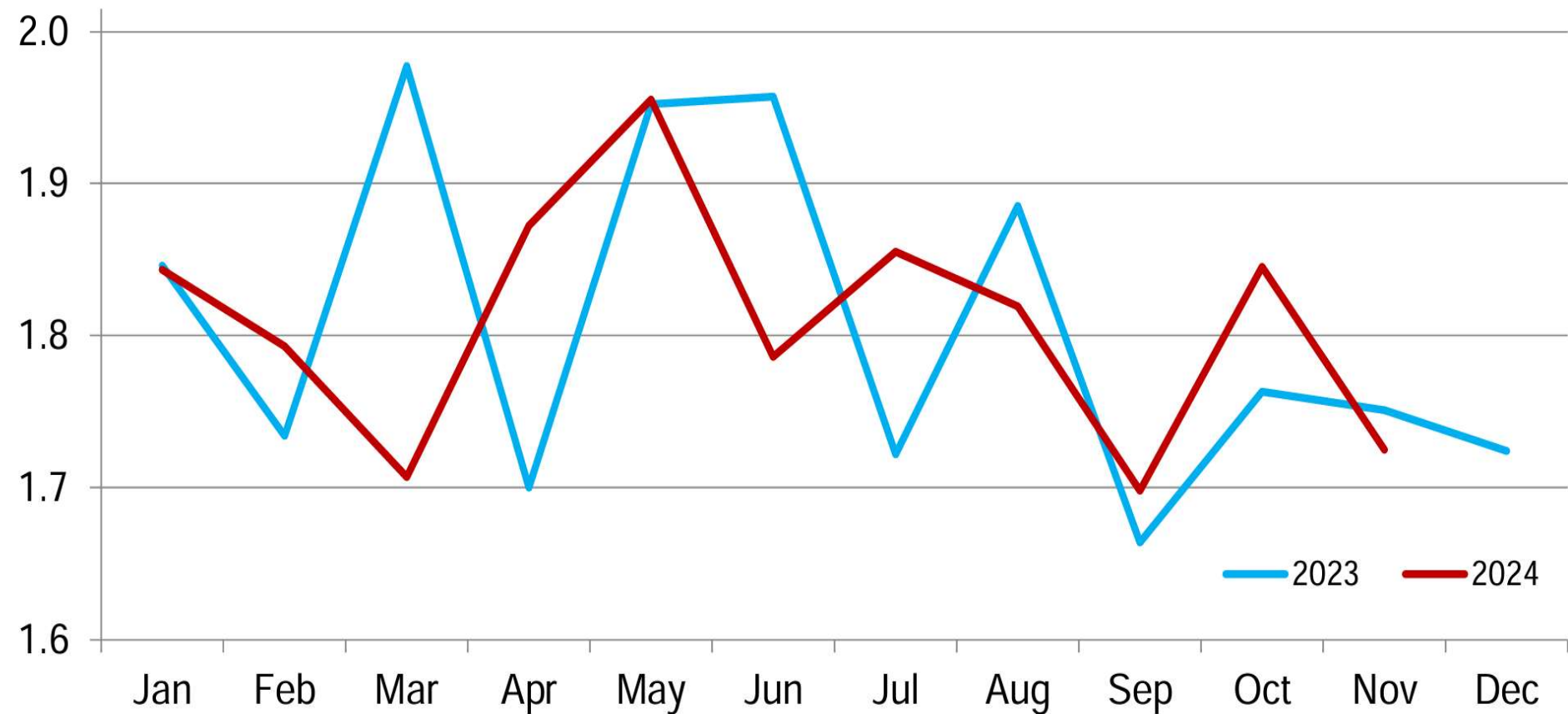
Cattle Placed on 1,000+ Capacity Feedlots – United States

Million head



Cattle Marketed on 1,000+ Capacity Feedlots – United States

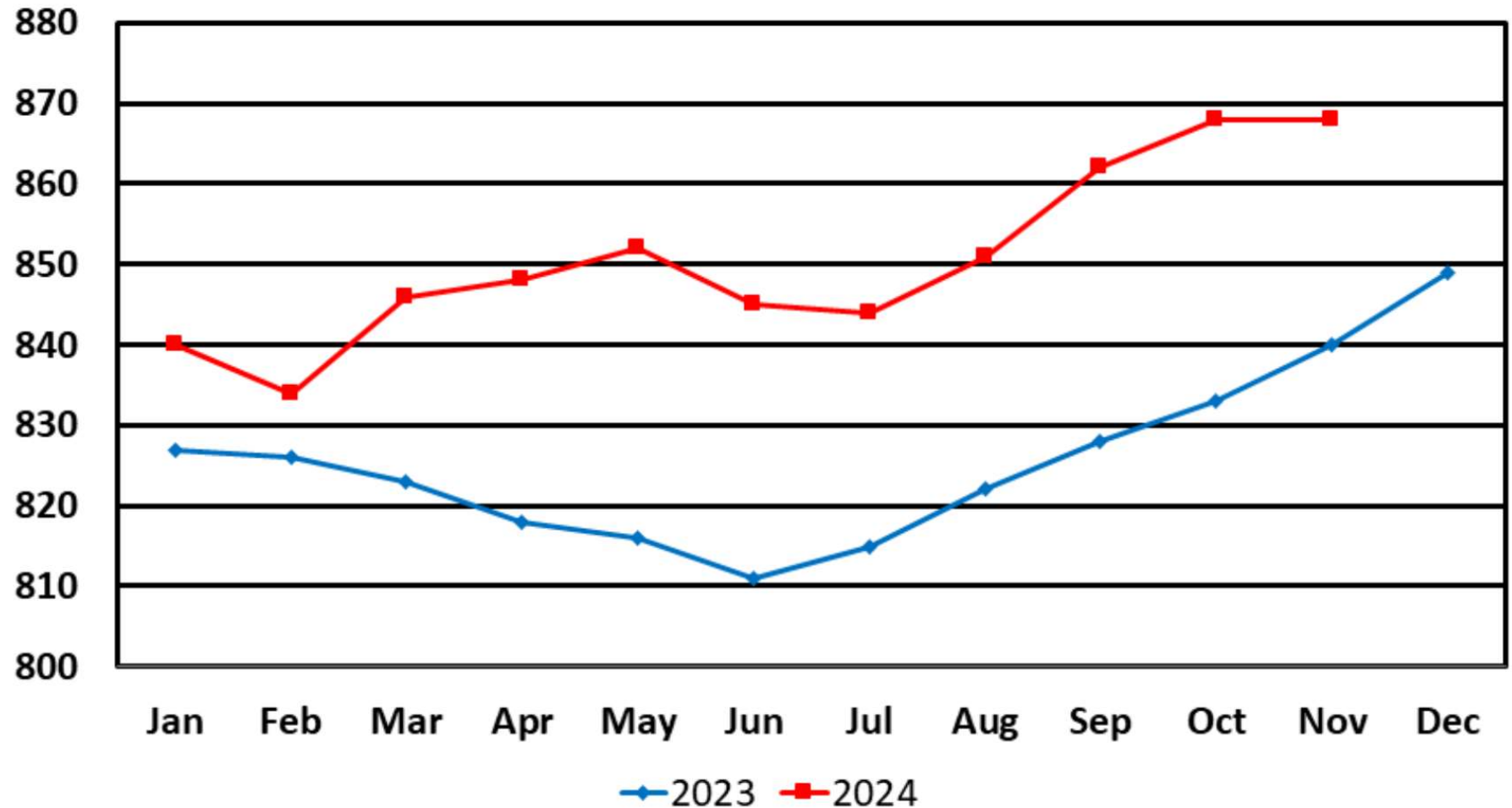
Million head



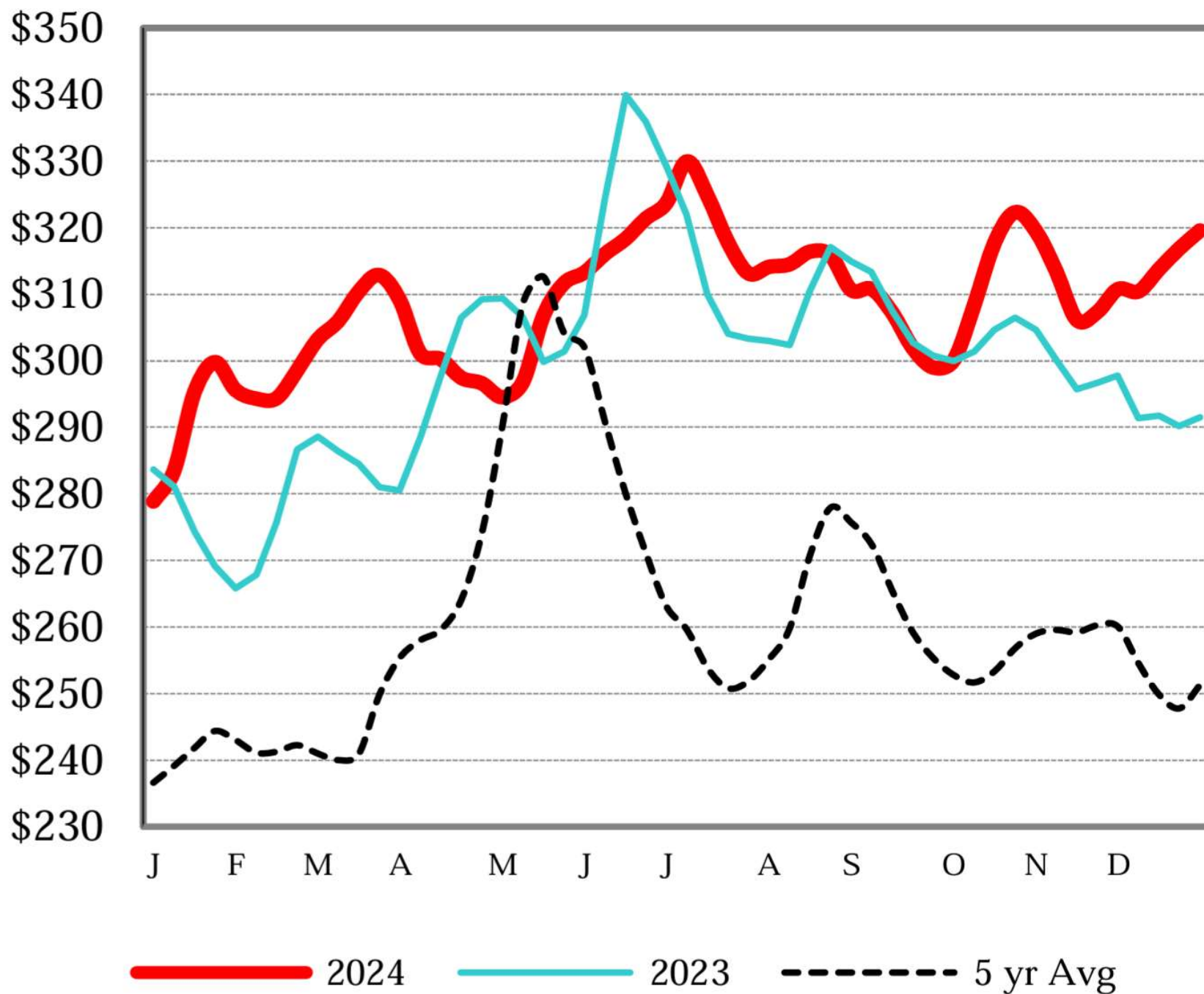
Federally Inspected Cattle Slaughter Average Dressed Weight

United States

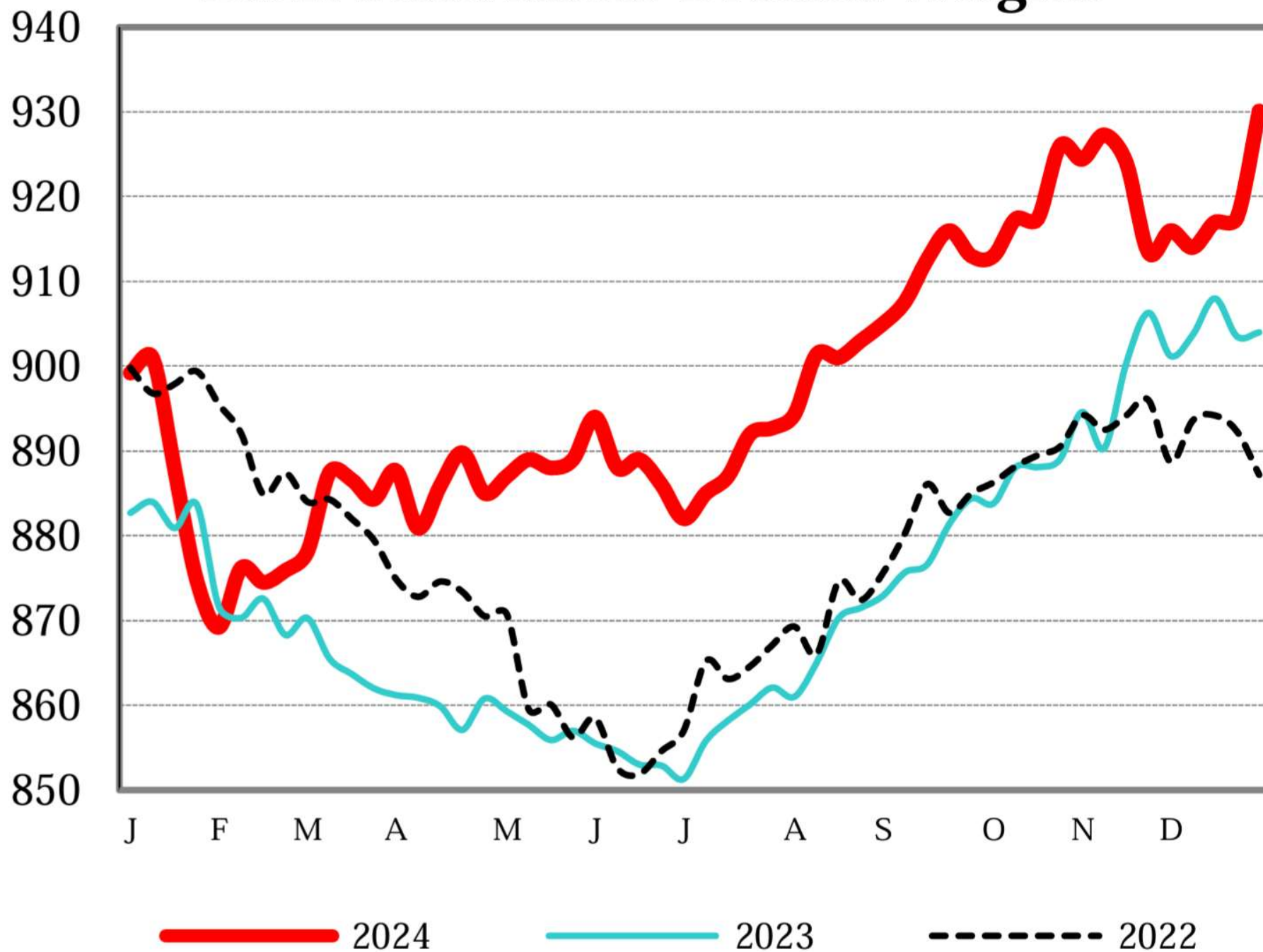
Pounds



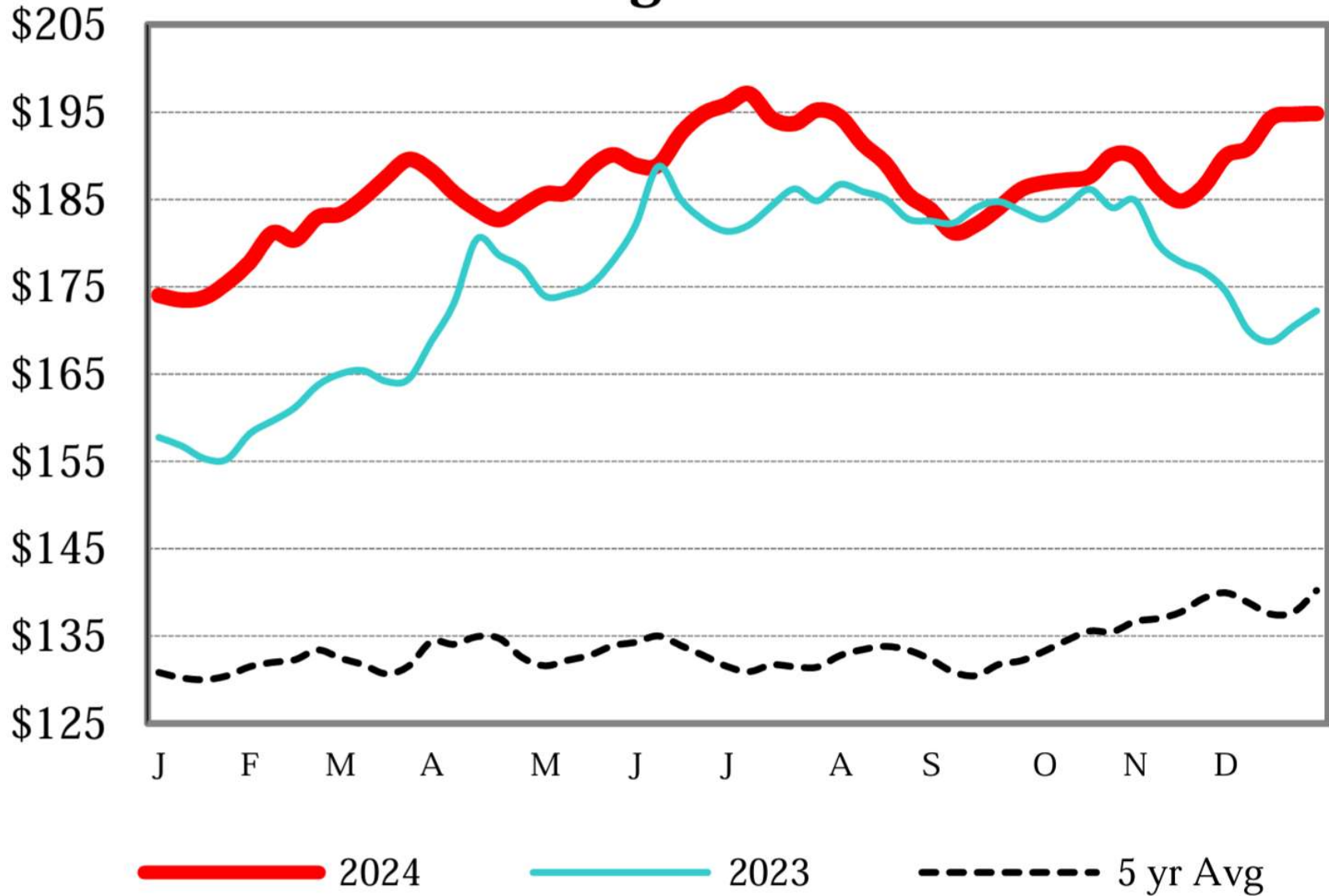
Weekly Choice Cutout



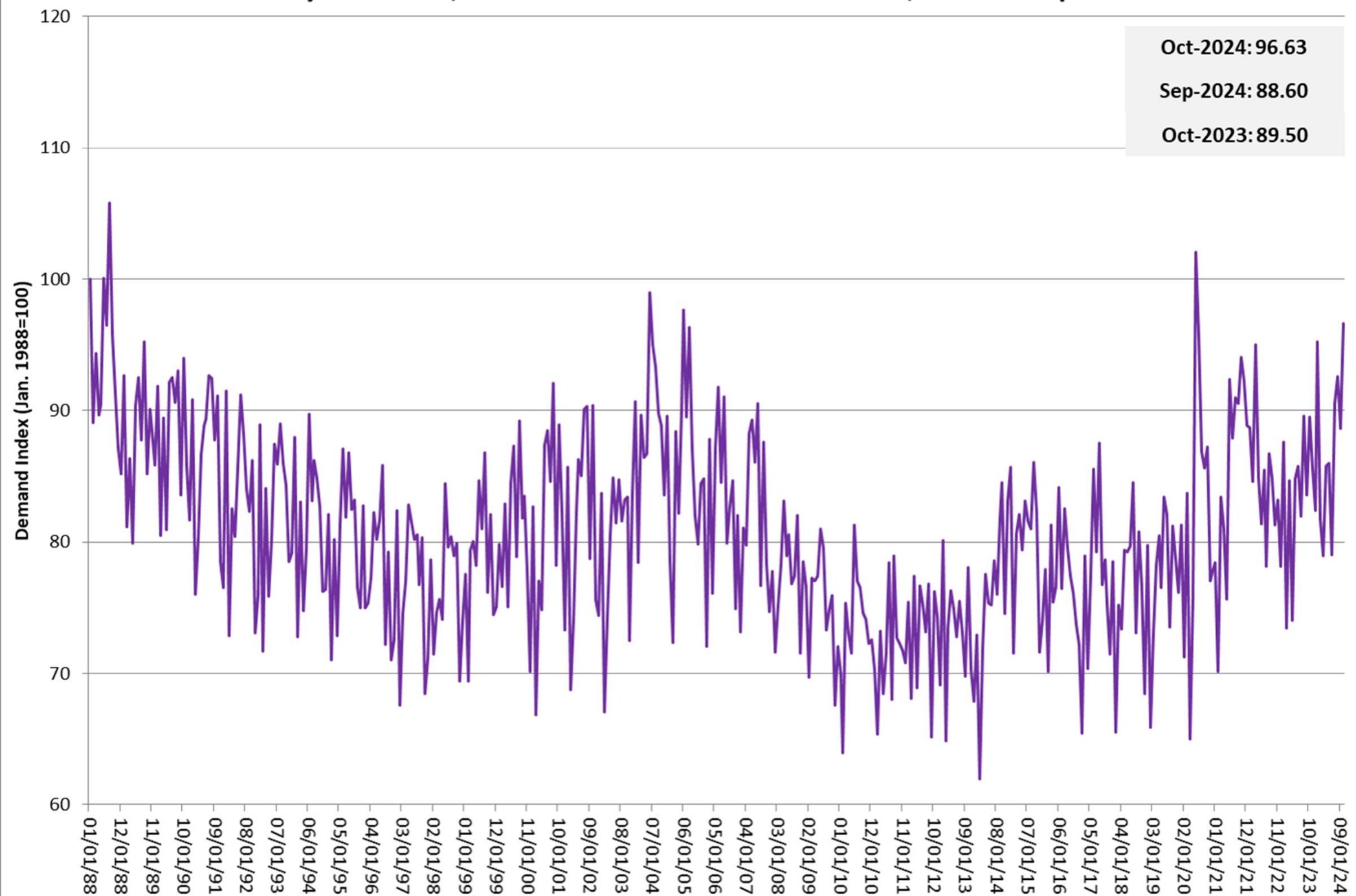
LMR Steer/Heifer Dressed Weights



5 Area Weekly Wtd Avg Steer Price



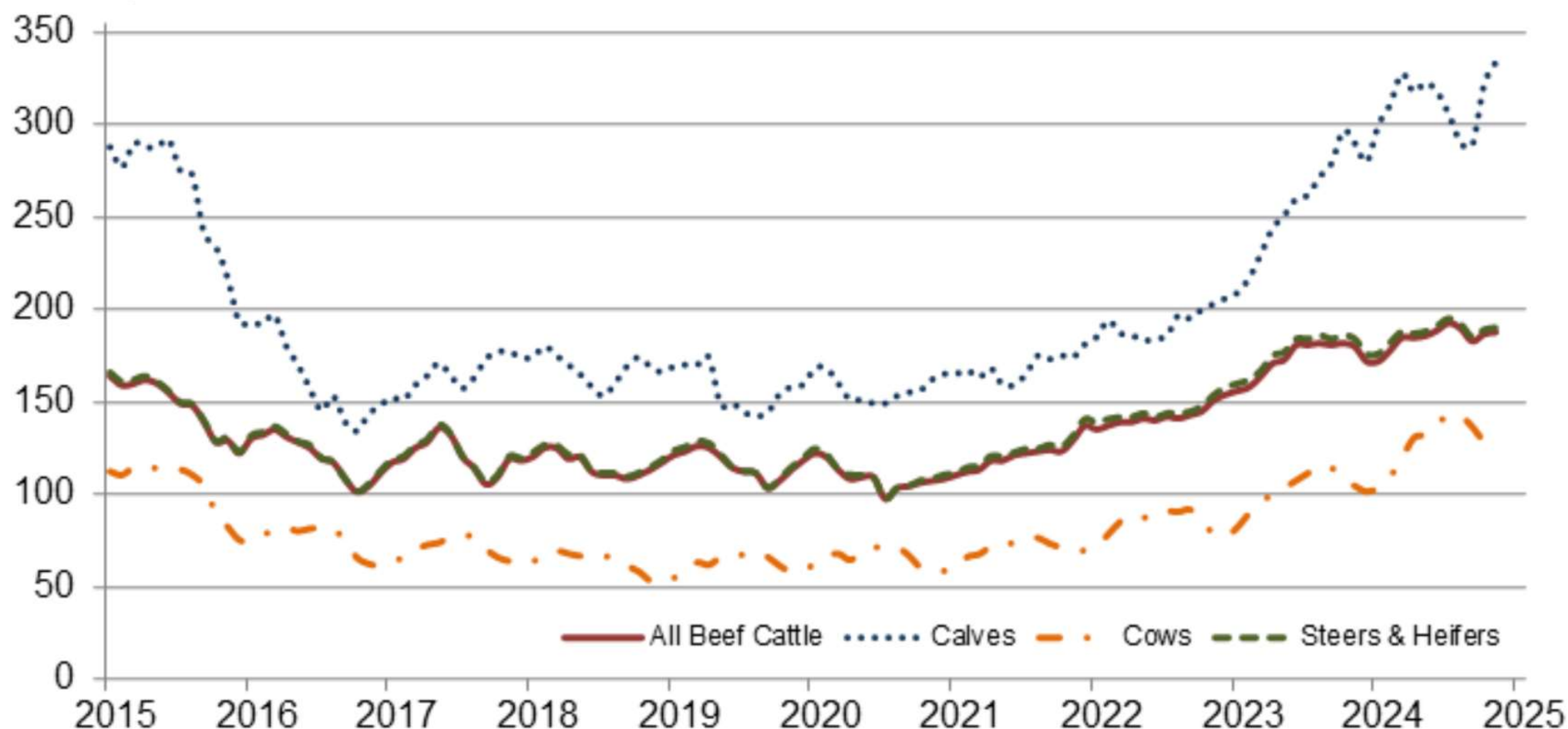
Monthly Domestic, Choice Retail Beef Demand Index, Jan. 1988-present



Source: Glynn T. Tonsor, Kansas State University

Prices Received for Cattle by Month – United States

Dollars per cwt



USDA – NASS
12/31/2024

Canadian Cow Herd



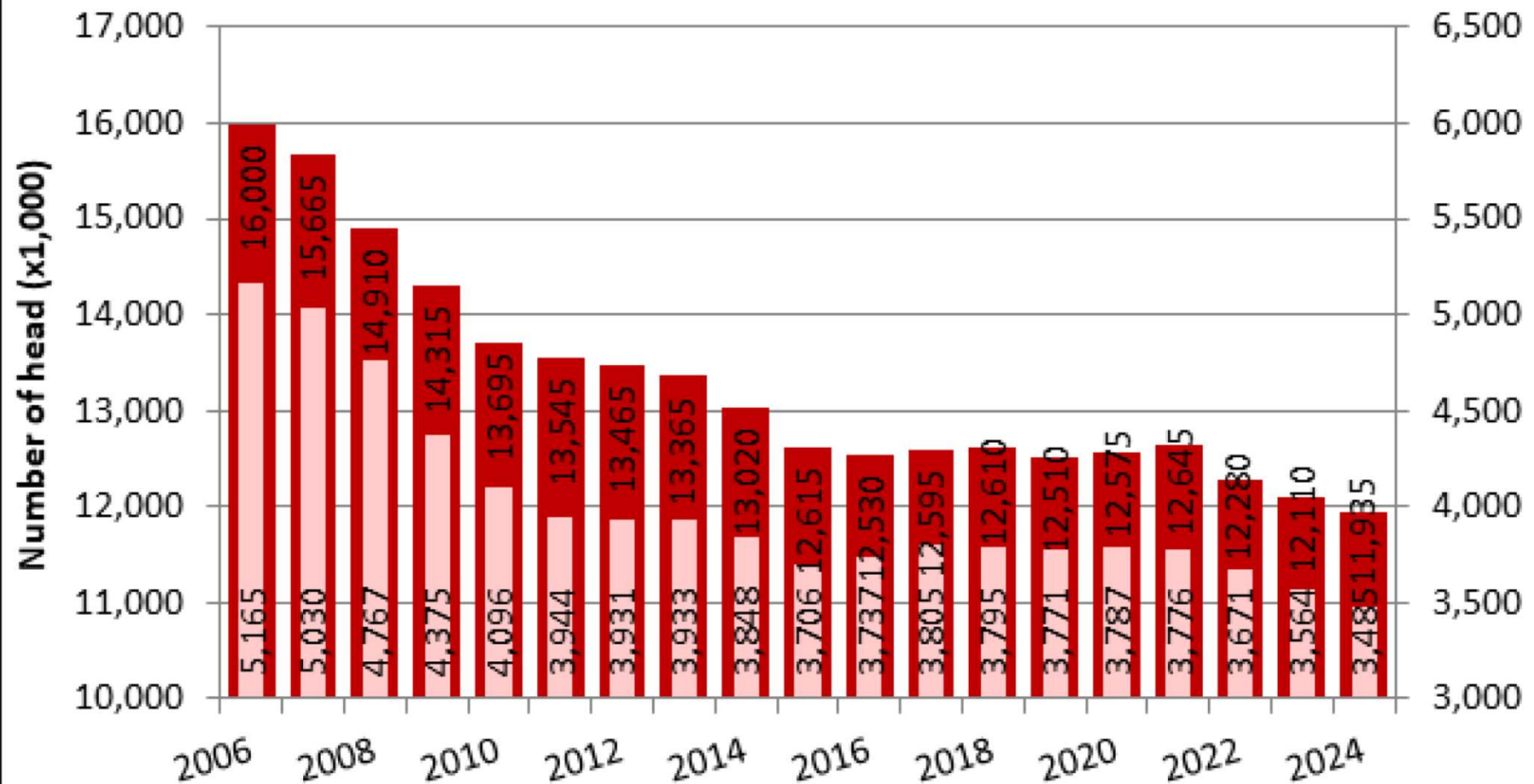
Disclaimer

The Ag Outlook provided is based on existing trade system. No account has been given to the impact of trade sanctions.



Canada: Cattle Inventory, July 1

■ Total cattle ■ Beef cows



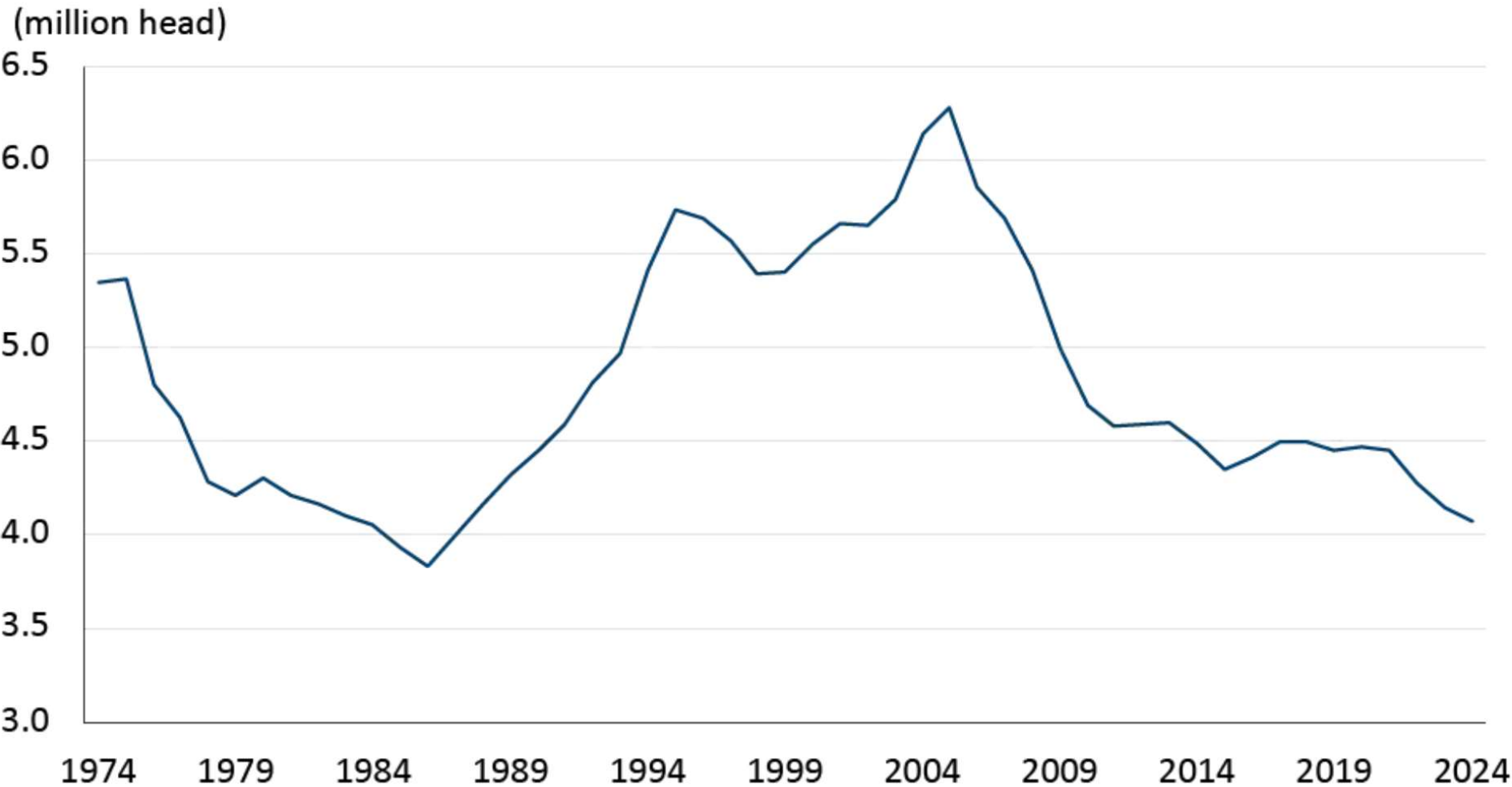
Source: Statistics Canada

Canadian Cattle Herd Size 2025

- 2025 will begin with a year-over-year decline in beginning stocks of one percent but will conclude 2025 entering a period of stabilization.
- Cattle herd is the smallest size since 1987 in 2024
- Higher prices, improved pasture conditions greater feed availability through the winter, and resulting lower feed costs, has slowed cow culling and should signal producers to increase heifer retention to build back breeding herds.
- While producers should increase heifer retention in the back half of 2024, strong cattle pricing will lead many producers to look to seize an opportunity in profitability and continue to market heifers and open cows.
- Additionally, the aging demographics of Canadian cattle producers continue to be a factor.
- Some operations may determine that now is an optimal time for herd dispersal while prices are high.
- There is also a pull for pastureland to be converted to cropland.
- The labor intensity of a cattle operation is much higher than for crops where there is an off-season and while beef demand continues to be strong, demand for crops is as well.



Figure 1: Canadian cow and heifer for beef replacement herd at its lowest since 1987



Source: Statistics Canada



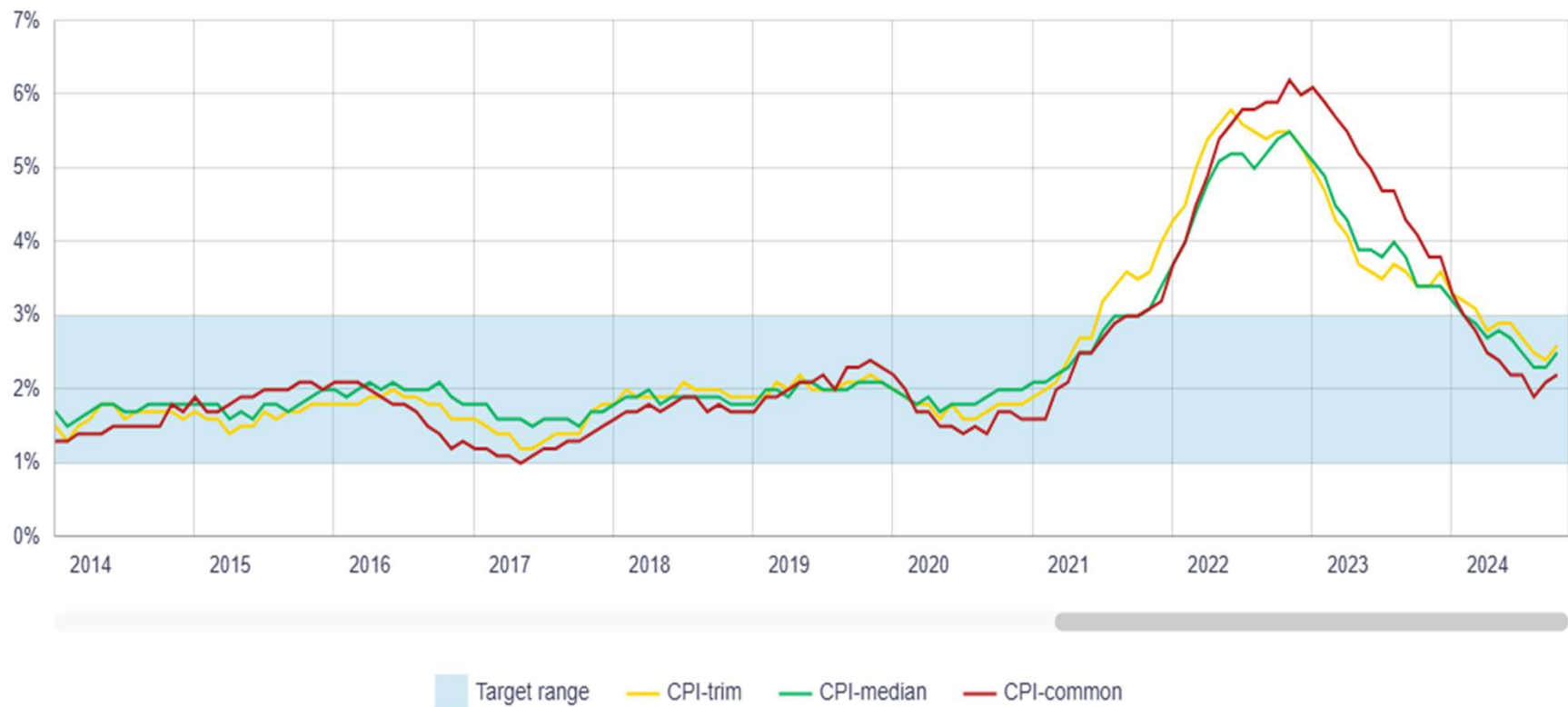
Canadian Calf Crop Size 2025

- On a smaller beef cow herd, we are forecasting a ***one percent decline*** for the 2025 calf crop.
- Cow fertility has been performing strongly, likely as a result of aggressive culling practices during spurred by drought conditions.
- Current prices will still see producers keep up recent practices of removing open and less productive animals from their herds.
- This will support a maintenance of strong reproductive performance through 2025 on a per animal basis.

Canadian Inflation Rate – Canadian Price Index (CPI)

Preferred Measures of Core Inflation

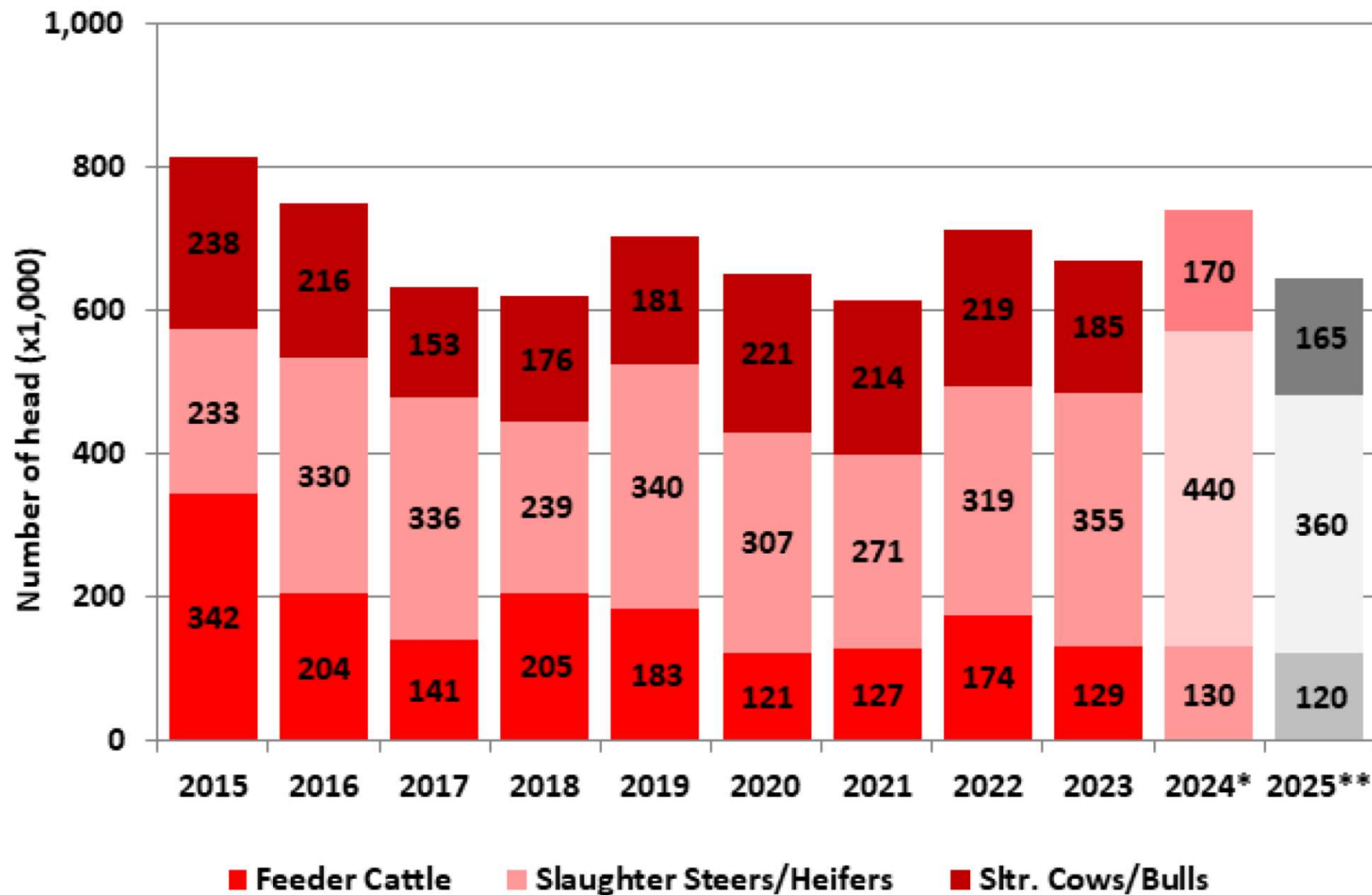
Year-over-year percentage change



Bank of Canada



Canadian Exports of Non-dairy Cattle to the U.S.



Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

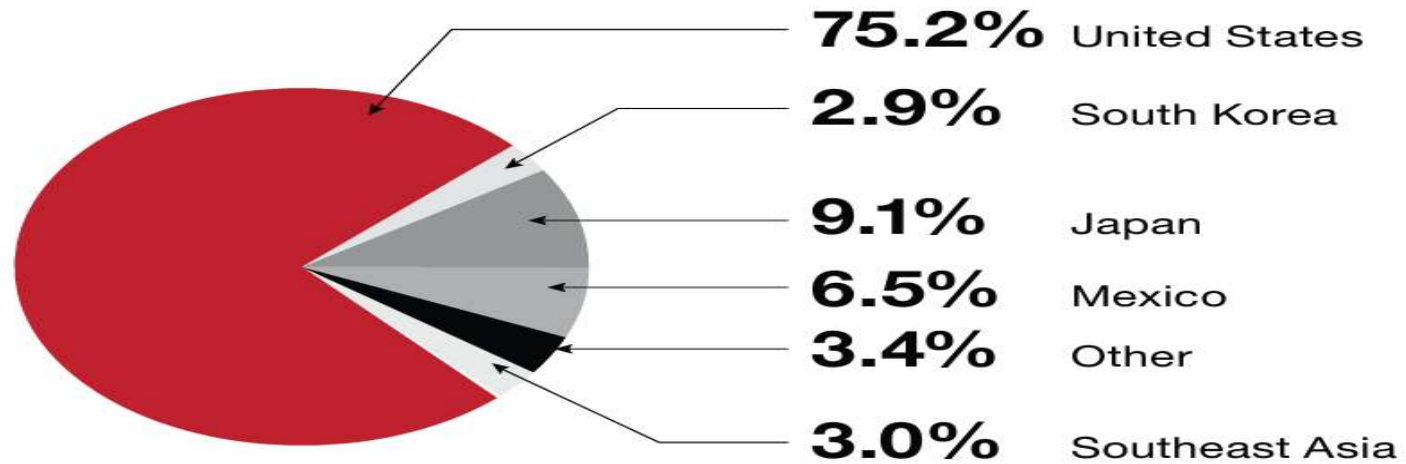
US vs Canadian Dollar

^CADUSD - Canadian Dollar/U.S. Dollar - Daily OHLC Chart



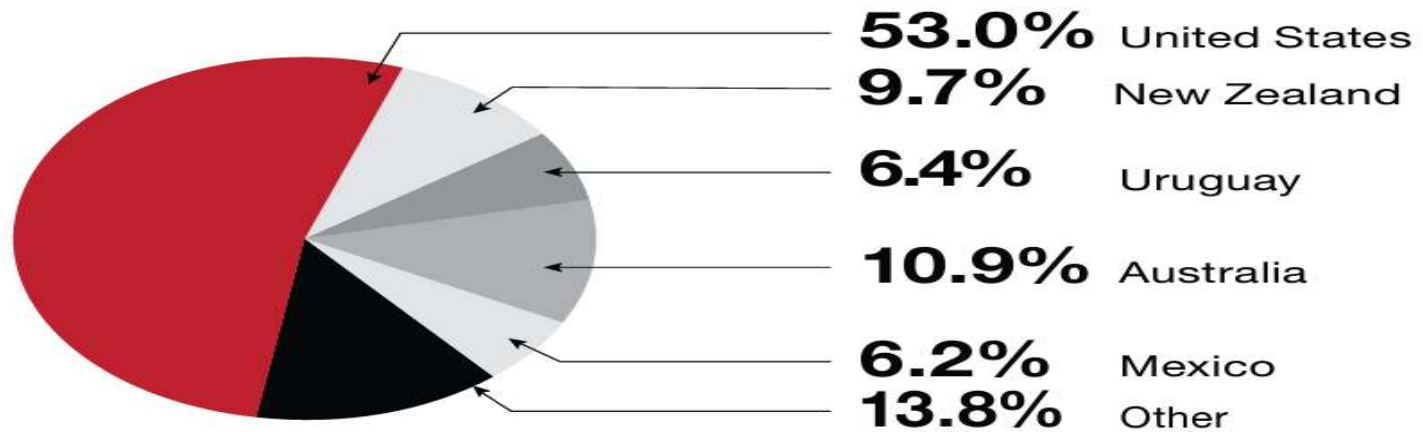
Beef Exports – 2023

1.1 billion pounds (499 million kg)



Beef Imports – 2023

411 million pounds (187 million kg)



Statistics Canada

In 2023, Canada exported **51%** of total beef and cattle produced in Canada.

Statistics Canada, Canfax, AAFC

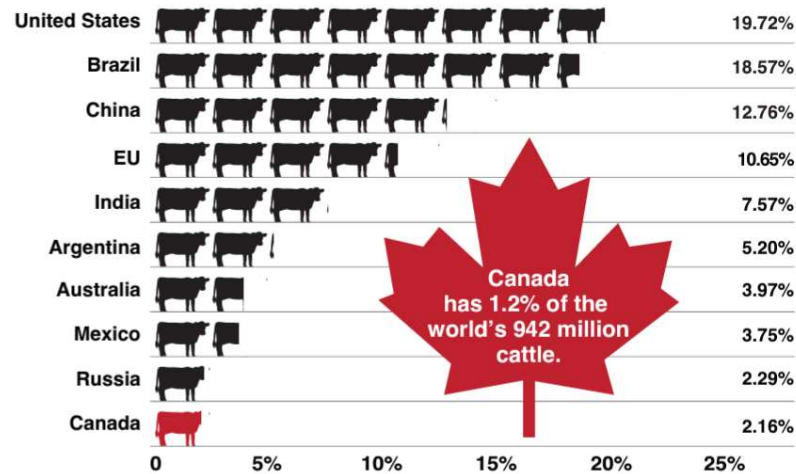
In 2023, **45%** of Canadian production was exported (excluding slaughter cattle).

Statistics Canada, Canfax, AAFC

Canadian beef exports were valued at **\$5.02 billion** in 2023, up 7.4% from \$4.68 billion in 2022.

Statistics Canada

Top 10 Beef Producing Nations – 2024f

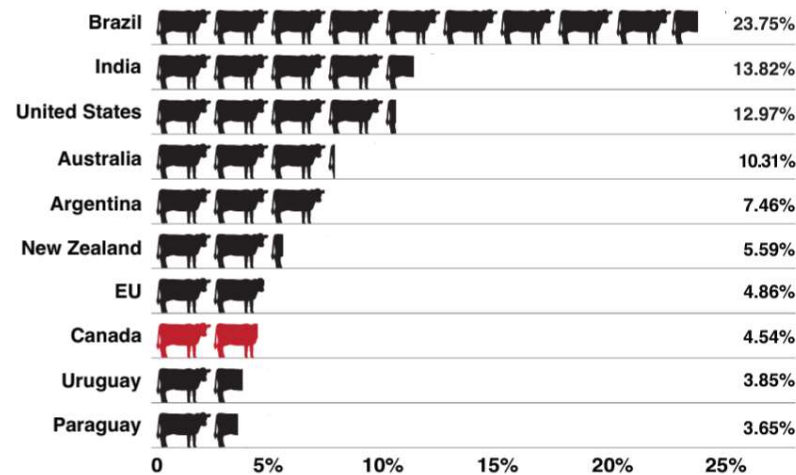


Canada produces 2% of the world's beef supply. Worldwide beef production is forecast to be 60.4 million metric tonnes in 2024.

USDA

Top 10 Beef Exporting Nations – 2024f

(excludes live slaughter exports)



Canadian Federally Inspected Slaughter

Year to Date for the Week Ending December 7, 2024

Federally Inspected Slaughter (head)	West			East			CANADA		
	2024	2023	% chg	2024	2023	% chg	2024	2023	% chg
Steers	1,190,243	1,182,891	1 %	352,827	385,932	-9 %	1,543,070	1,568,823	-2 %
Heifers	792,494	813,272	-3 %	97,130	103,788	-6 %	889,624	917,060	-3 %
Cows	290,086	354,602	-18 %	88,121	116,123	-24 %	378,207	470,725	-20 %
Bulls	14,835	17,125	-13 %	1,239	2,000	-38 %	16,074	19,125	-16 %
Total YTD	2,287,658	2,367,890	-3 %	539,317	607,843	-11 %	2,826,975	2,975,733	-5 %
Total Jan. - Dec. 2023		2,503,981			640,590			3,144,571	
Carcass Weight (lbs)									
Steers	939	914	3 %	972	953	2 %	947	923	3 %
Heifers	852	839	2 %	855	837	2 %	852	839	2 %
Cows	807	759	6 %	654	668	-2 %	772	736	5 %
Bulls	994	964	3 %	868	902	-4 %	984	958	3 %
Source: Canadian Beef Grading Agency (CBGA)									
Beef Output (tonnes)									
Fed	813,228	799,917	2 %	193,230	206,234	-6 %	1,006,458	1,006,151	0 %
Non-Fed	112,876	129,571	-13 %	26,629	36,004	-26 %	139,505	165,575	-16 %
Total	926,104	929,488	0 %	219,859	242,238	-9 %	1,145,963	1,171,726	-2 %
Total Jan. - Dec. 2023		980,904			255,102			1,236,006	

Canadian Beef & Veal Exports by Country

Beef & Veal Exports

	Exports to All Countries (tonnes)			('000 \$ CDN)		
	2024	2023	% chg	2024	2023	% chg
United States of America	308,042	304,216	1 %	3,106,362	3,241,464	-4 %
Japan	37,145	38,213	-3 %	307,744	293,648	5 %
Mexico	24,552	26,432	-7 %	224,091	231,883	-3 %
Korea, South	12,313	11,499	7 %	124,781	94,976	31 %
Viet Nam	10,818	10,281	5 %	99,364	65,894	51 %
Hong Kong	2,663	4,078	-35 %	30,024	43,860	-32 %
Colombia	2,201	322	584 %	11,295	337	
Philippines	1,603	1,681	-5 %	10,796	6,113	77 %
Taiwan	1,142	849	35 %	13,211	8,134	62 %
Others	8,952	8,877	1 %	57,131	59,588	-4 %
Total	409,431	406,447	1 %	3,984,798	4,045,897	-2 %
Cattle Hides & Skins Exports (Number '000)	2,604	2,996	-13 %	121,522	148,295	-18 %

Source: Statistics Canada

Live Cattle Trade

- Agriculture Canada is forecasts an eleven percent reduction on live cattle exports in 2025 following robust growth in 2024.
- Improved pasture conditions, cow and heifer retention, and overall feed availability with a smaller number of animals moving into the processing pipeline will contribute to the decline.
- Contraction in the U.S. herd and a regional need for Canadian fed cattle to support processing demand has supported robust Canadian fed cattle exports to the United States in 2024.
- Earlier concerns on feed availability and pricing will see feeder exports slow in the second half of 2024 as will cull cow exports. Reported expansion in Canadian feedlot bunk space with higher feed availability and lower feed costs will see fewer feeder cattle exports in 2025. On a smaller overall number, fed exports will be reduced in 2025 but as a percent of overall exports, will continue to outperform the five-year average. Drought conditions and feed availability in the United States will be a factor on the pull of feeder versus fed cattle as with Canada.



Canadian Feed Outlook

- Feed prices have come down and feed availability is anticipated to be greatly improved.
- Some areas in Western Canada will continue to be challenged by dry conditions and conversely, in Eastern Canada excess rainfall has been a factor in haying and planting.
- However, overall, the feed outlook is reasonable.
- Based on current trends, Canada's cattle feeders and cow-calf sector will have sufficient feed availability and supportive pricing into 2025.



Weekly Cattle Market Update

For the week ending January 31, 2025

All prices are quoted in Canadian dollars per hundredweight (\$/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices (\$/cwt)								
Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
January 31/2025	Average	n/a	\$589.50	\$524.25	\$461.13	\$432.63	\$381.00	\$360.25
January 31/2025	Range	n/a	550-635	502-558	425-510	400-471	351-412	340-375
week/week	Change	n/a	\$24.21	\$4.82	-\$0.12	\$18.48	-\$0.96	\$4.66
January 24/2025	Average	n/a	\$565.29	\$519.43	\$461.25	\$414.15	\$381.96	\$355.59
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
January 31/2025	Average	\$558.25	\$507.75	\$463.33	\$412.92	\$375.17	\$350.83	
January 31/2025	Range	539-600	475-556	440-504	389-435	350-400	330-365	
week/week	Change	n/a	n/a	\$0.00	\$7.00	\$6.34	\$4.83	
January 24/2025	Average	n/a	n/a	\$463.33	\$405.92	\$368.83	\$346.00	

Source: Canadian data is provided by CanFax and cannot be redistributed without Canfax consent (www.canfax.ca).

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday of the current week. N.A. means not available due to lack of sufficient data.

500-600 lb. Feeder Steers - Saskatchewan

Zoom **YTD** 1w 1m **1y** All

Dec 2023 → Dec 2024



700-800 lb. Feeder Steers - Saskatchewan

Zoom YTD 1w 1m **1y** All

Dec 2023 → Dec 2024



D1/D2 Cows - Saskatchewan

Zoom YTD 1w 1m **1y** All

Dec 2023 → Dec 2024



A close-up photograph of a brown cow's face, looking directly at the camera. The cow has a thick, reddish-brown coat and a large, dark blue nose. The background is blurred, showing green foliage and another cow in the distance.

Key Takeaways

- Sustain contraction in 2025 first 2 quarters of 2025
- Smaller calf crop in 2025
- Lowered beef production/Slaughter - 2%
- Canadian beef exports are forecast to remain strong while imports are forecast to soften on weakened consumer demand.
- The Canadian swine herd is also forecast to remain relatively stable in 2025.
- Contraction in Eastern Canada will be offset by growth in Western Canada.
- Slaughter is forecast at one percent above 2024 with increased utilization and small expansion in Western Canada.
- Imports will lag 2024 as domestic consumption continues to struggle.
- Cattle prices could challenge retention decisions, especially given the aging demographic of
- Canada's producers may choose herd dispersal with high prices/aging demographics.

Cow-Calf Production Costs - September, 2024

Based on a 300 Cow Herd

A. Operating Costs	<u>Cost/Cow</u>	<u>Total Cost</u>	<u>Your Cost</u>
1. Feed Costs			
Grain and Concentrates	\$83.07	\$24,920	_____
Forages	\$288.78	\$86,634	_____
Salt & Minerals	\$42.09	\$12,627	_____
Extended Grazing Forages	<u>\$41.65</u>	<u>\$12,496</u>	_____
Total Feed Cost	\$455.59	\$136,677	_____
2. Other Operating Costs			
Straw	\$70.00	\$21,000	_____
Veterinary Medicine & Supplies	\$25.34	\$7,603	_____
Breeding Costs	\$55.70	\$16,710	_____
Fuel, Maintenance & Repairs	\$34.11	\$10,232	_____
Utilities	\$9.69	\$2,907	_____
Marketing & Transportation	\$37.76	\$11,327	_____
Death Loss	\$32.50	\$9,750	_____
Manure Removal	\$10.84	\$3,252	_____
Insurance	\$16.38	\$4,914	_____
Herd Replacement	\$148.50	\$44,550	_____
Pasture Rental	\$59.38	\$17,813	_____
Pasture Operating	\$34.77	\$10,430	_____
Labour - Hired	\$54.00	\$16,200	_____
Miscellaneous	<u>\$3.33</u>	<u>\$999</u>	_____
Subtotal Operating Costs	\$1,047.88	\$314,364	_____
Operating Interest	<u>\$39.30</u>	<u>\$11,789</u>	_____
Total Operating Costs	\$1,087.17	\$326,153	_____