

The Canadian cattle herd has been eroding since 2017; the July 1 national count of beef cows had dropped by 6% (about 220,000 head) since mid-year 2017. Still, the monthly number of animals on-feed was above a year ago as of October 1.

A upswing in U.S. feeder cattle exports to Canada began in 2017. In 2017, that number jumped up to just over 145,000 head from only 36,615 animals in 2016. In both 2019 and 2020, the U.S. exported over 270,000 head.

Ranchers in Western Canada have been plagued with severe drought, just like in the Western U.S. Yearling steers and heifers (those born in 2020) were forced into feedlots due to dismal forage conditions. Drought in the Western U.S. combined with the economics of feeding cattle set up Canadian buyers to be relatively aggressive in the U.S. feeder cattle market, too. In recent years, the number of U.S. feeder cattle exported to Canada has trended higher. The number of U.S. feeder cattle exported to Canada was well above 2020s in both July and August. July cattle exports to Canada were over 19,000 head (more than double 2020), while August was up more than 12,000 head year-over-year (nearly double the level of 2020).

The monthly Canadian Cattle on Feed report is done by CanFax (www.canfax.ca) and includes the two largest commercial cattle feeding provinces (Alberta and Saskatchewan). Severe drought in the Western Canadian provinces and imports of feeder cattle from the U.S have bolstered the number of animals in feedlots.

As of October 1, the monthly Canadian on-feed count stood at 930,000 head, increasing 17% year-over-year (up about 137,000 head). During September, the number of cattle placed into feedlots was down compared to a year ago (declining about 6% or 12,000 animals). The higher October 1 feedlot count was due to more animals placed earlier this year, especially during June, July, and August, which were above a year ago by 34%, 98%, and 62%, respectively.

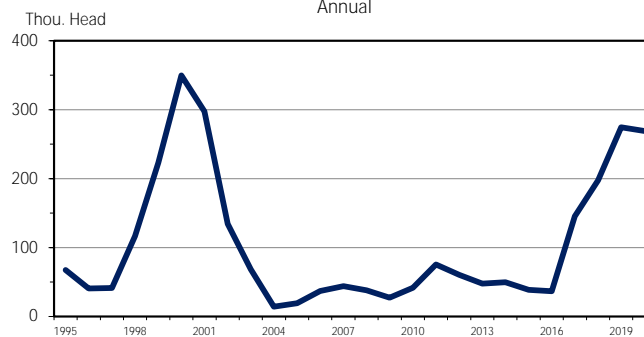
The Canadian on-feed data provide a monthly breakout of the types of animals placed into feedlots (the U.S. does not). In Canada, placements of both steers and heifers into feedlots have been posting year-over-year increases. For the last four months of data (June-September), steer and heifer placements were up from a year earlier by 18% and 31%, respectively. Year-to-date

the steers placed rose by 36%, while heifers increased 24%.

The national herd continues to shrink, based on heifers placed on-feed since mid-year, the mid-year Canadian inventory estimates, and heifer slaughter. The smaller cowherd produced fewer calves in 2012, a trend that will continue in 2022.

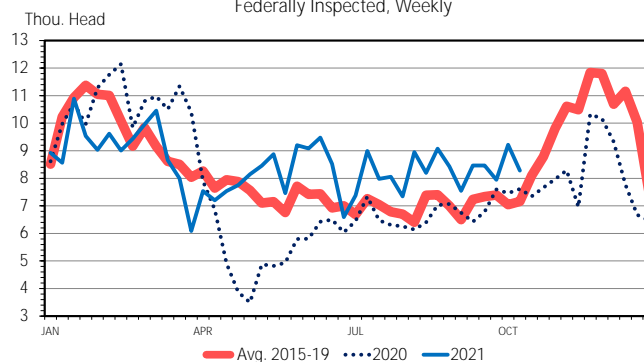
In 2022, due to 2021's drought, Western Canadian cattle feeders are expected to face higher cost of gains than their U.S. counterparts. That may make competing for U.S. feeder cattle relatively difficult. Overall, 2022 may be a challenging year for the Canadian cattle feeding sector.

U.S. FEEDER CATTLE EXPORTS TO CANADA
Annual

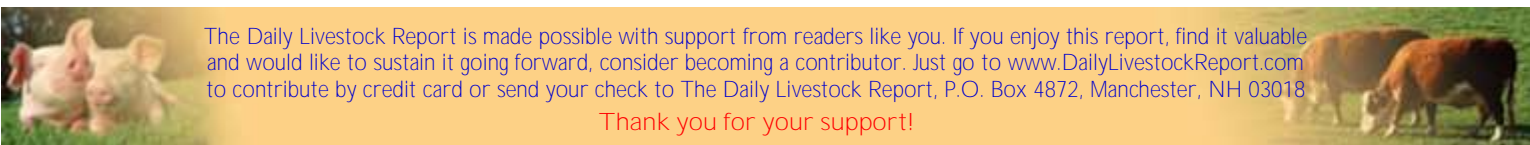


Data Source: USDA-ERS & USDA-FAS, Compiled by LMIC Livestock Marketing Information Center

CANADA COW SLAUGHTER
Federally Inspected, Weekly



Data Source: CanFax Livestock Marketing Information Center



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