Weekly Market Outlook and Analysis

Canada's Source for Cattle Market Information

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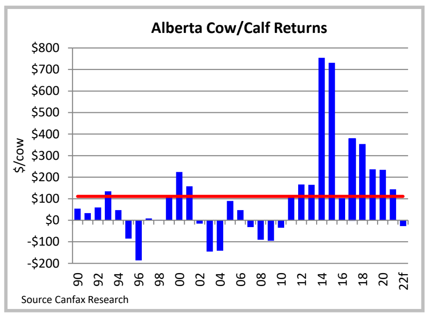
Cow-Calf Returns

Cow-calf returns are difficult to estimate due to the wide variation in production systems and environments that producers operate in. The Canadian Cow-Calf Cost of Production Network showcases that variety found coast to coast.

The Alberta Cow-Calf returns model is based on average costs from weaning to weaning. Therefore, the higher feed costs for the 2021/2022 winter show up in the 2022 calf crop margin. Costs are calculated at market value with homegrown feed at market prices, pasture at $1/day, and current labour rates (therefore providing a market value return to land and labour). Costs included in the model are: hay, barley, supplement, summer grazing, herd depreciation, veterinary services, medications, yardage, labour, building maintenance and equipment depreciation. The model assumes an average Alberta herd of 250 head. This provides some general trends for the sector, with historical context given the over 30 years of data available.

For the past 5 years, average Alberta cow/calf returns were $269/1200 lb cow and $305/1500 lb cow, with a steady decline since 2017. The forecast for 2022 (-$27/cow and -$43/cow) is the first average loss since 2010 as cow/calf producers have been faced with increased input costs following the 2021 drought. However, over the last decade significant equity should have been built up on cow-calf operations.



The income per cow in the last five years (2017-2021) at $1,000-1,200 has been 52-54% higher than the 2009-2013 period, prior to the 2014 jump in cattle prices.

2022 AB Breakeven Price on Calves		
Calf Weight	**1200 lb**	**1500 lb**
400	2.82	3.25
450	2.51	2.89
500	2.26	2.60
550	**2.05**	2.36
600	1.88	2.17
650	1.74	**2.00**
700	1.61	1.86

Total costs per cow jumped 19-20% or $167-202/cow for the 2022 calf crop to $1,072/1200 lb cow and $1,235/1500 lb cow. This is well up from the five-year average of $794/1200 lb cow and $902/1500 lb cow. Breakeven prices for a 1200 lb cow, assuming a 550 lb calf, would be $2.05/lb and for a 1500 lb cow with a 650 lb calf would be $2.00/lb (weaning weight averaged over both steers and heifers). These prices or more could have been locked in with Price Insurance this spring. The model assumes no risk management and this fall calf prices are steady with last year.

As the increase in costs for the 2022 calf crop came entirely from winter feed costs, longer term hay prices and forage availability are critical to a competitive cow-calf sector. Alberta hay prices peaked in May at $287/ton and have started to come down. However, as producers replenish their stockpiled feed supplies, limited supplies might be available for those in dry regions looking to purchase any shortfall. Following the 2002 drought, hay prices declined 12% in 2003 and another 30% in 2004, to be back at 2000 levels. Therefore, we can expect hay prices to drop over the next 24 months if production is supportive. Drought in the US is expected to keep demand for hay strong this year.

A similar model for Ontario shows positive returns since 2014, that have also been steadily shrinking. While the five-year average return is $145/575 lb weaned calf and $151/610 lb weaned calf, this has dropped to an estimated $26/575 lb calf and $32/610 lb calf for 2022.

Bottom line: Given the fact that income tends to be relatively stable for long periods of time with sharp jumps, the main driver of cow-calf returns is cost structure. Understanding your own cost structure, productivity and income level is critical to an operations success. – *Brenna Grant*

Market Briefs

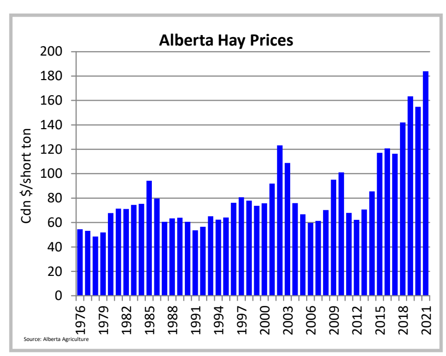
(in Cdn$)		This wk	Change
▲	AB Fed steers	175.06	+0.58
	AB Fed heifers	n/a	n/a
▲	AB Feeder steers	---	+2.86
▲	AB Feeder heifers	---	+3.29
	Cdn Feeder Index	n/a	n/a
	Cdn Calf Index	n/a	n/a
▲	AB D2 cows	107.00	+1.40
▲	AB Slaughter bulls	134.36	+2.44
(in US$)			
▼	Cdn spot dollar	76.12	-0.89
▲	Aug live cattle	135.40	+0.85
▲	Aug feeder cattle	178.90	+6.42

Canfax Fed Cattle Averages

Cdn$/cwt		Chg from last wk	Chg from last yr
ALBERTA			
Steers - Live	177.00		
Rail	290.50-291.50		
Dressing	60.0%		
Avg	175.06	+0.58	+22.87
Vol	6,198	-13%	-29%
Heifers - Live	--		
Rail	--		
Dressing	--		
Avg	--	--	--
Vol	--	--	--
ONTARIO			
Steers - Live	--		
Rail	311.50-313.50		
Avg	187.51	-2.08	+30.61
Vol	500	-64%	-30%
Heifers - Live	--		
Rail	311.50-313.50		
Avg	185.69	-1.98	+30.10
Vol	339	+146%	+80%

Canadian Weekly Average Carcass Weights *(lbs)*

Source: CBGA	Steer	Heifer	Cow	Bull	Total
9-Jul-22	890	790	735	962	845
Last wk	861	795	732	972	826
Yr ago	890	807	723	1012	847
YTD 2022	917	843	733	969	866
YTD 2021	911	846	737	1013	865



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Fed Cattle

For week ending July 15 - Alberta direct cattle sales saw limited buying interest this week but, average steer prices did firm modestly higher. The majority of trade was reported steady to $1/cwt higher than the previous week at $292-293/cwt delivered dressed. Heifer prices were generally comparable with steers, but weekly sale volumes were too slight to fully establish a repeatable market trend. Cattle priced this week were scheduled for the fourth week of August. Western Canadian fed slaughter for the week ending July 9th realigned 44% larger than the previous four-day week to 48,292 head. YTD Western Fed slaughter was up 4% from year ago totaling 1,160,260 head. Canadian fed cattle/cow exports to the US for the week ending July 2nd rebounded 6% larger than the previous week to 8,953 head and were 130% larger than the same week last year. YTD fed cattle/cow exports were 22% larger at 255,271 head.

Average Ontario fed prices eased $2/cwt lower this week on lackluster buying interest. Dressed sales were steady to $5/cwt lower than the previous week in a full $313-315/cwt delivered trade range. Most trade was reported at $313/cwt delivered and weighted average steers closed the week at $187.50/cwt.

Outlook: Strong grilling season and export demand has maintained $170+/cwt cash prices over the past ten weeks. Packers have procured ample out-front summer inventory and weaker demand is anticipated as we head into the doldrums of summer. Cutout values are expected to seasonally lose momentum moving forward and next week's cash market is anticipated lower. - Scott McKinnon

Fed Cattle Basis *(Cdn$/cwt)*	NE Cash[1]	*Last wk[2]*	Futures	*Last wk*
Alberta	-15.43	*-12.51*	-2.45	*-0.81*
Ontario	-2.98	*+2.60*	+10.18	*+14.91*

[1]Cash basis, current week based on DTN estimates; [2] Last week revised, based on USDA final trade

Alberta Projected Prices *($/cwt)*

	Live Ctl *(US$)*	Cdn Dollar	Basis *(Cdn$)*	Proj. Price *(Cdn$)*
Aug-22	135.40	76.28	0.80	178.30
Oct-22	139.93	76.30	-2.10	181.30
Dec-22	146.30	76.30	-2.47	189.28
Feb-23	151.13	76.31	-2.82	195.24
Apr-23	154.23	76.33	1.55	203.60

Based on Thursday's Live Cattle futures and historical five-year basis levels (2017-2021). This table is only meant to represent what current futures prices equate to in Canadian terms. Please use this information at your own risk.

PROJECTED BREAKEVENS *			*Cdn $/cwt*
Heifer Calves	Place in Jul 22	Out in Apr 23	208.32
Steer Calves	Place in Jul 22	Out in Apr 23	205.31
Yearling Heifer	Place in Jul 22	Out in Feb 23	201.67
Yearling Steer	Place in Jul 22	Out in Jan 23	196.49

(Based on $9.95/bushel Barley) * from Canfax Trends

Non-Fed Cattle

Slaughter Cows and Bulls: Non-fed volumes through commercial auction facilities continue to be larger than normal for this time of the year. The market tone was mixed this week, dressed cow bids were a couple dollars softer, while prices through the sale ring were over $1/cwt higher. Through the ring, new annual price highs were established. Over the past 25 years, July has the highest probability of seeing cows establish third quarter highs. US packers have been very active on the Western Canadian bull market. YTD Canadian bull exports to the US are 17% larger than last year, while Canadian bull slaughter is down 19%. With the Canadian dollar trading 4% below last year, bull exports are expected to remain strong through the summer. Peak bull export volumes traditionally occur in late August/early September. Reduced overseas beef imports remains prices supportive for the Canadian market from January to May beef imports from New Zealand and Uruguay are down 31% and 43% respectively versus last year.

- Dallas Rodger

Slaughter Cows		**West (AB)**	**Avg**	**East (ON)**	**Avg**
Cdn$/cwt	D2 Cows	97.00-118.00	107.00	105.55-123.30	114.43
	D3 Cows	90.00-104.00	96.00	89.55-105.55	97.56
	Railgrade	204.00-209.00	-	-	-

Canadian Slaughter Statistics

Federally Inspected Canadian Kill

Source: Canadian Beef Grading Agency

		9-Jul-22	**Wk ago chg**	**YTD**	**YTD chg**
By Grade	Prime	1,260	+19%	64,161	+2%
	AAA	34,657	+45%	1,009,916	+8%
	AA	19,770	+33%	326,634	-9%
	A	819	+40%	15,101	-34%
	B	1,187	+35%	17,815	-2%
	D	6,159	+43%	188,990	-1%
	E	316	+65%	5,610	-13%
	Ungraded	2,387	+14%	73,547	+19%
	Total	**66,555**	+39%	**1,701,774**	**+3%**
By Sex	Steers	40,776	+46%	879,778	+2%
	Heifers	17,198	+28%	572,504	+2%
	Cows	8,227	+32%	242,154	+5%
	Bulls	354	+3%	7,338	-19%
	Total	**66,555**	+39%	**1,701,774**	**+3%**
Regional	West	54,776	+42%	1,346,538	+3%
	East	11,779	+25%	355,236	+0%
Calves	Male	2,888	+25%	76,163	-4%
	Female	310	+22%	6,926	+50%
	Total	**3,198**	+25%	**83,089**	**-1%**

Domestic Meat Production (in million pounds)

Fed	49.9	+44%	1,289.4	+3%
Non-Fed	6.4	+30%	184.6	+3%
Total Beef	56.3	+42%	1,474.0	+3%
Pork	96.9	+22	2,753.8	+4%

Weekly Canadian A Grade Mix

	Yield 1	**Yield 2**	**Yield 3**	**Yield 4**	**Yield 5**	**Total**
Prime	0.0%	0.6%	1.0%	0.5%	0.2%	2.2%
AAA	7.1%	29.6%	19.1%	4.1%	1.5%	61.3%
AA	13.2%	17.3%	4.0%	0.4%	0.1%	35.0%
A	1.1%	0.3%	0.0%	0.0%	0.0%	1.4%
Total	**21.5%**	**47.7%**	**24.1%**	**5.0%**	**1.8%**	**100.0%**

2022 YTD Canadian A Grade Mix

	Yield 1	**Yield 2**	**Yield 3**	**Yield 4**	**Yield 5**	**Total**
Prime	0.1%	1.0%	1.9%	1.1%	0.5%	**4.5%**
AAA	5.4%	31.3%	25.5%	6.7%	2.5%	**71.3%**
AA	6.9%	12.2%	3.4%	0.5%	0.1%	**23.1%**
A	0.9%	0.2%	0.0%	0.0%	0.0%	**1.1%**
Total	**13.2%**	**44.7%**	**30.9%**	**8.3%**	**3.0%**	**100.0%**

		This Yr	**Yr ago**
Female to Male Disposal Rates	Jan – May 2022	1.10:1	1.11:1

LIVESTOCK PRICE INSURANCE

The Cattle Price Insurance Program offers producers the ability to manage their bottom line by purchasing price insurance to provide a floor price on future cattle sales. This is a snapshot of top coverage offered this past week. LPI-Calf is available to purchase from Feb to June.

Expiry Date	LPI-Fed Price	LPI-Feeder Alberta	LPI-Calf Alberta	LPI-Feeder SaskMan	LPI-Calf SaskMan
	Top Coverage this Week *(Cdn$/cwt)*				
10-Oct	172	224	--	224	--
7-Nov	174	226	--	224	--
5-Dec	172	220	--	218	--
30-Jan	184	224	--	224	--
27-Feb	182	224	--	224	--
27-Mar	186	228	--	224	--

For complete information, visit www.lpi.ca

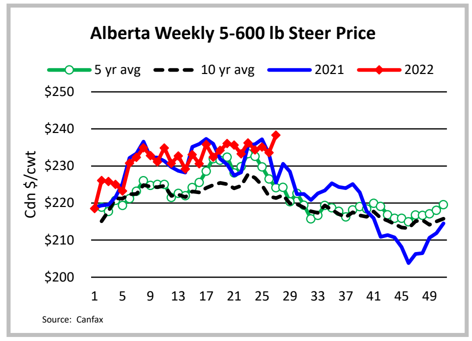
Live Cattle Exports to US

Source: USDA/APHIS, # of head — Wk ending July 2, 2022

	West	**East**	**Total**	**YTD**	**YTD % chg**
Feeders	1,561	476	**2,037**	133,712	**+181%**
Sltr strs/hfrs/cows	7,236	1,717	**8,953**	255,271	**+22%**
Sltr bulls	1,054	123	**1,177**	17,628	**+17%**
Breeding/Other	9	125	**134**	8,458	**+50%**
Total	**9,860**	**2,441**	**12,301**	**415,069**	**+50%**

British Columbia - Vol 526 (YTD 41,947 +25%)				**Last Wk**	**Last Yr**
Cdn$/cwt		**Range**	**Avg**	**$ chg**	**$ chg**
Steers	3-400	-	-	-	-
	4-500	-	-	-	-
	5-600	-	-	-	-
	6-700	-	-	-	-
	7-800	-	-	-	-
	8-900	-	-	-	-
	900+	-	-	-	-
Heifers	3-400	-	-	-	-
	4-500	-	-	-	-
	5-600	-	-	-	-
	6-700	-	-	-	-
	7-800	-	-	-	-
	800+	-	-	-	-
Alberta - Vol 8,370 (YTD 629,216 +3%) vol. inc. Internet/Satellite					
Steers	3-400	230 - 260	244.75	-	-
	4-500	231 - 251	243.67	-	+2
	5-600	230 - 265	238.33	+7	+8
	6-700	220 - 241	226.63	+2	+7
	7-800	210 - 226	218.88	+4	+14
	8-900	194 - 218	204.75	-2	+12
	900+	189 - 203	196.43	+3	+14
Heifers	3-400	200 - 215	207.00	+10	n/c
	4-500	190 - 225	203.75	-1	-2
	5-600	190 - 219	205.50	+5	+7
	6-700	187 - 217	202.90	+6	+14
	7-800	176 - 196	190.10	+1	+12
	8-900	174 - 189	182.00	+1	+11
	900+	160 - 183	168.50	+2	+7
Saskatchewan - Vol 2,744 (YTD 241,128 -10%)					
Steers	3-400	-	-	-	-
	4-500	-	-	-	-
	5-600	-	-	-	-
	6-700	-	-	-	-
	7-800	204 - 229	214.00	-	+18
	8-900	188 - 213	194.00	-	-
	900+	185 - 195	189.50	-	-
Heifers	3-400	-	-	-	-
	4-500	202 - 223	205.00	-	-
	5-600	-	-	-	-
	6-700	184 - 222	194.67		+13
	7-800	181 - 206	187.25		+15
	800+	-	-	-	-
Manitoba - Vol 808 (YTD 131,040 -9%)					
Steers	3-400	-	-	-	-
	4-500	-	-	-	-
	5-600	-	-	-	-
	6-700	-	-	-	-
	7-800	-	-	-	-
	8-900	-	-	-	-
	900+	-	-	-	-
Heifers	3-400	-	-	-	-
	4-500	-	-	-	-
	5-600	-	-	-	-
	6-700	-	-	-	-
	7-800	-	-	-	-
	800+	-	-	-	-
Ontario - Vol 2,152 (YTD 109,008 -7%)					
Steers	4-500	221 - 273	251.49	+8	+75
	5-600	213 - 269	247.54	+15	+44
	6-700	205 - 260	233.79	+15	+36
	7-800	181 - 226	202.48	-14	+26
	8-900	190 - 210	199.74	-5	+16
	900+	181 - 208	192.79	n/c	+27
Heifers	3-400	-	-	-	-
	4-500	195 - 229	219.14	+15	+41
	5-600	159 - 218	187.20	-24	n/c
	6-700	164 - 215	189.64	+7	+14
	7-800	148 - 192	170.95	-13	+1
	800+	159 - 183	171.12	-1	+17

For week ending July 15 - Over the past four weeks B.C, AB, SK, MB auction volumes were down 17,000 head compared to last year. Even though auction volumes have been light, the general price trend over the past couple of weeks has been steady to stronger. From a seasonal standpoint this should not come as a big surprise, as heavier weight feeder prices have strengthened at a much faster pace relative to the calf market. Over the past couple of weeks, 850 lbs steers have been trading at the highest point since February 2016. Whereas the calf market (5-600 lb) has been mostly steady over the past sixty days, averaging in the mid $230's/cwt. On a cash-to-cash basis, Alberta calf and feeder prices are trading at a discount against the US market. YTD Alberta calf prices have been trading at a $12/cwt discount to the US market and is the largest discount since 2015. Canadian feeder cattle exports continue to run above year ago levels. For the first half of this year, Canadian feeder exports totaled 133,712 head, 41% larger than the five-year average and 1% larger than the ten-year average. This week AB, SK 1000+lbs steers for August to October delivery traded from $207-212/cwt. Forward delivery prices for late summer/early fall are trading at roughly $5-10/cwt premium over the spot market.



Outlook: Barley prices continue to decline; old and new crop sales have been reported around of $400/tonne delivered into Southern Alberta. Based on the latest Canfax trends report, calf and feeders purchased in July have breakevens on either side of $200/cwt. Looking into 2023, fed cattle prices are going to have to revisit all-time highs that occurred back in spring of 2015 just to break even. The cow/calf pair market was lightly tested this week, with sales reported from $1,700-2,500 averaging $2,100/pair. This is the second highest cow/calf pair prices have been this year. *– Dallas Rodger*

Bred Cattle Prices *(Cdn$/head)*	
Bred Cows	n/a
Bred Heifers	n/a
Cow-Calf Pairs	$1,700-2,500

Alberta Feeder Steer Basis *(Cdn$/cwt)*	**This wk**	**Last wk**
750 lb	-15.65	-9.21
850 lb	-29.78	-17.25

Alberta Projected Prices *(850 lb steer, $/cwt)*

	Feeder Ctl *(US$)*	Cdn Dollar	Basis *(Cdn$)*	Proj. Price *(Cdn$)*
Aug-22	178.90	76.28	1.11	235.64
Sep-22	181.63	76.28	3.15	241.26
Oct-22	183.83	76.30	1.61	242.55
Nov-22	185.20	76.30	-5.66	237.08
Jan-23	185.38	76.31	-0.93	242.01

Based on Thursday's Feeder Cattle futures and historical five-year monthly average basis levels (2017-2021). This table is only meant to represent what current futures prices equate to in Canadian terms. Please use this information at your own risk.

Internet and Satellite Sales

Thurs 14 and Fri 15 — Volume – 1086

Region		**Wt Avg Wgt**	**Vol**	**Price** *(Cdn$/cwt)*	**Wt Avg $**	**Del**
AB	Steer	850	74	225.00-225.00	225.00	Jul
AB	Steer	965	66	209.00-209.00	209.00	Jul
AB	Steer	1025	219	208.75-208.75	208.75	Aug
SK	Steer	1025	265	212.25-212.25	212.25	Sep
SK	Steer	1050	118	207.00-207.00	207.00	Oct
SK	Heifer	1193	244	166.00-171.00	168.85	Jul
SK	Bull	1100	100	167.25-167.25	167.25	Jul

Alberta and Saskatchewan Cattle on Feed

Canfax released its July 1st Cattle on Feed report this afternoon and is the 12th consecutive month that cattle on feed inventories have been above last year. With strong fed cattle marketing rates in June and smaller feedlot placements, this month's report should be viewed as bullish news for the cattle feeding segment. Cattle on feed inventories are seasonally declining and is the first time this year that inventories have been below one million head. Not to drowned out the optimism, but cattle on feed inventories remain historically large as this is the third largest July 1st inventory since reporting started. Survey fed cattle marketings totaled 149,987 head, 17% larger than last year. Over the past 10 years this stands as the second largest June marketing volume.

Lower feedlot placements did not come as a complete surprise. Widespread rains across the prairies slowed auction traffic, especially during the second half of June. In addition, Canadian feeder cattle exports to the US for the month of June were up 80% versus last year. The year over year decline in placements (-21%) seem rather drastic, but it is important to remember last June feedlot placements were historically large due to the drought. This is the first time in three months that feedlot placements have been below last year. Heifers continue to be placed into feedlots at a very aggressive pace. In June, heifer placements were up 21%, while steer placements were down 38%. For the first half of this year, total heifer placements are up 76,000 head versus last year. Second quarter placements totaled 347,610 head, the largest since 2009. Placements over the past three months (Apr-Jun) are 8% larger than the five-year average and 16% larger than the ten-year average. Breaking second quarter placements down by weight categories. Placement of calves and light weight stockers under 700 lbs were 4% larger than last year, while placement of feeders over 700 lbs were up 1%. Cattle on feed inventories for 120 days or longer are 6% larger than last year.

– Dallas Rodger

AB/SK Total (number of head)	**2022**	**2021**	**% of Yr ago**
On Feed June 1	1,054,288	961,191	110%
Placed in June	87,906	110,601	79%
Marketed in June	149,987	128,393	117%
Other Disappearance in Jun	6,215	4,775	130%
On Feed June 1	985,992	938,624	105%

June	**Heifers**		**Steers**		**Total**	
Placements	2022	2021	2022	2021	2022	2021
Under 600 lbs	2,510	5,261	5,825	10,240	8,335	15,501
600-699 lbs	2,201	2,825	2,681	5,758	4,882	8,583
700-799 lbs	2,836	6,209	3,974	8,983	6,810	15,192
800 lbs +	32,285	18,583	35,594	52,742	67,879	71,325
TOTAL	39,832	32,878	48,074	77,723	87,906	110,601

Canadian Hogs

Sources: Ontario Pork, Western Hog Exchange, AAFC

Price (Index 100 hogs)	This Wk - *$/kg ($/lb)*	Last Wk	Last Yr
Ontario	2.713 (1.231)	2.609	2.543
Alberta	2.610 (1.184)	2.550	2.460
Cdn Hog Slaughter *(# head)*	412,995	341,339	408,498

Canadian Feed Grains

Source: Alberta Agriculture and Forestry

Del Price - in lots of 100 tonnes or more *($/tonne); Barley conversion - Cdn$/tonne/45.93 = $/bu*

	Corn	**Barley**	**Wheat**
Edmonton *	--	385.00-400.00	434.00-475.00
Lethbridge *	491.50	400.00-420.00	430.00-475.00
Ontario	349.18	--	--

Ontario – Cattle:Corn Ratio 21.1:1 | Lethbridge – Cattle:Barley Ratio 19.1:1 *

** last week*

Currency

Source: Bank of Canada, CME	**This Wk**	**Last Wk**	**Last Yr**
Spot Cdn Dollar *(Thurs, US$)*	76.12	77.01	79.54
Nearby Cdn Dollar *(Thurs, US$)*	76.28	77.04	79.31
Cdn Prime Int Rate *(%)*	3.70	3.70	2.45

US Market Summary

US Meat Production *(mil lbs)*	**This Wk**	**YTD**	**YTD % chg**
Total Red Meat	1,031.4	29,564.9	-1.1%
Beef	546.9	14,993.6	+1.0%
Pork	481.4	14,480.3	-3.2%

US Slaughter *(Source: USDA)*	**This Wk**	**Last Wk**	**Last Yr**
Live Slaughter Weight *(lbs)*	1,340	1,341	1,348
Carcass Weight *(lbs)*	809	810	817
Est Cattle Slaughter *(# head)*	677,000	593,000	650,000
Est Hog Slaughter *(# head)*	2,255,000	1,971,000	2,288,000

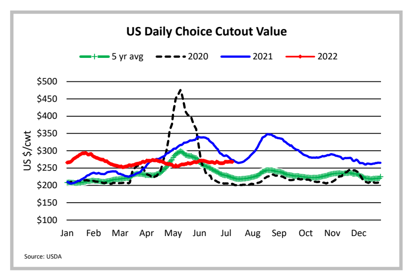
US Prices *(Source: USDA) Thurs, US$/cwt*	**This Wk**	**Last Wk**	**Last Yr**
USDA Carcass Index	234.32	236.18	219.91
Choice Cutout Value	267.75	268.07	269.87
Select Cutout Value	241.91	242.58	252.48
Choice/Select Cutout Spread	25.84	25.49	17.39
By-Product Value (Steer) - Live	13.69	13.72	13.13
TX Fed Steer - Live	136.50	137.00	119.61
NE Fed Steer - Rail	229.00	232.32	196.63
NE Cash to Futures Basis	+8.68	+9.47	+3.25
US Feeder Index	176.62	168.39	151.39
National Boner Cows - Rail	172.81	175.51	147.12
Nearby Corn *($/bu)*	6.95	7.47	5.64

In the US, live trade in the South was steady to $1/cwt lower with the previous week at $136-137/cwt. Most live trade in the North was reported steady to $3/cwt lower than last week from $144-145/cwt. Dressed trade was steady to $2/cwt lower than the previous week's Nebraska rail average from $230-232/cwt delivered. Seasonally large fed offerings and softer beef demand are expected to limit price upside moving forward. Stockers and feeders traded generally steady to $5/cwt higher this week on a limited offering. Feeder offerings should increase moving forward and prices will remain well supported. Hot dry weather continues across the Corn Belt with areas of moderate to severe drought reported in the East. Hot dry conditions could persist through the summer in the West, while the east may see some precipitation and temperature relief. National boner cow prices eased $2.70/cwt lower than the previous week to $172.81/cwt dressed.

- Scott McKinnon

Beef Trade

Choice and Select cutouts ended the week steady with last week at $267.75/cwt and $241.91/cwt respectively. A total of 611 loads traded this week. This is 11% lower than last year, but 10% higher than two weeks ago. The July long weekend prevents direct comparison to last week. Lower load counts have kept cutout prices strong.



Both Choice and Select primals trended the same direction this week, with rib, round, brisket and flank mostly steady, but positive. The biggest movements were seen in Choice brisket, up $5.41/cwt and Select round, up $4.61/cwt. Choice and Select chuck, loin and short plate ended the week down, with Select loin down $7.60/cwt and both Choice and Select short plate down $5.46/cwt.

The Choice/Select spread increased for loin ($5.51/cwt) and brisket ($3.93/cwt); while holding steady to slightly negative for all other primals.

Fresh 90% trim was steady with last week and 50% lean trim was up $6.18/cwt. – Jamie Kerr

Boneless Beef Prices (cow trim) – FOB Ontario *(Cdn$/lb.), Source: BFO*		
Spot = wk ending	Domestic - 85%	Aust/N.Z. - 90%
Jul 22/22	3.30	3.64