

# Ontario Cattle *Situation & Outlook*

*Steve Duff*  
*Chief Economist*  
OMAFRA

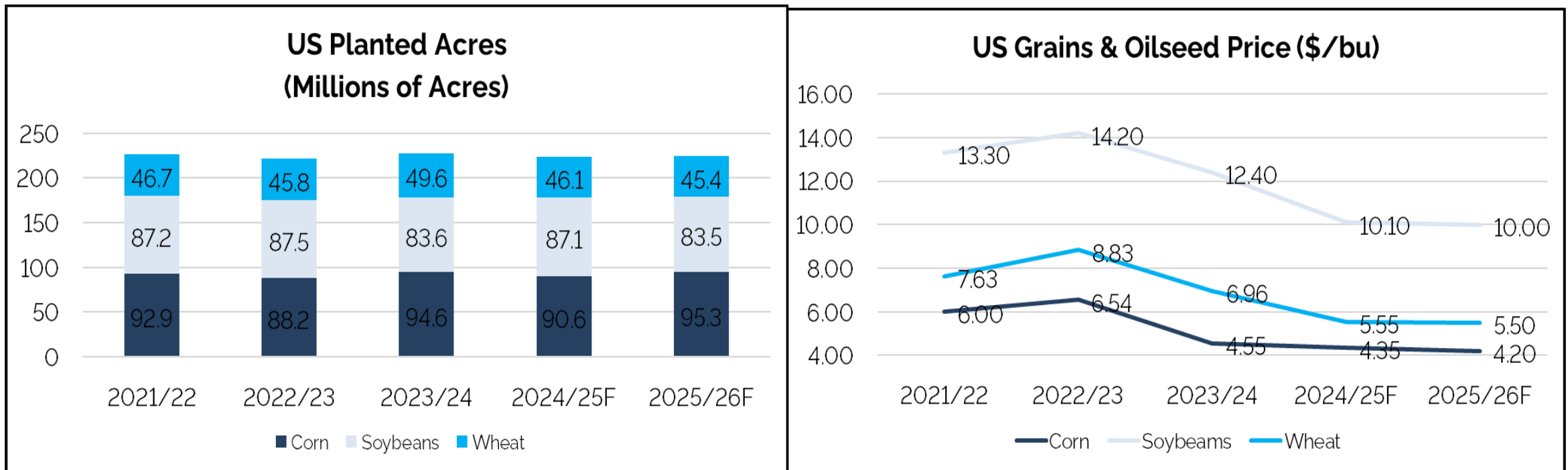
# Overview

- United States market situation
- Canadian & Ontario market situation
- Ontario market outlook

# United States Market Situation

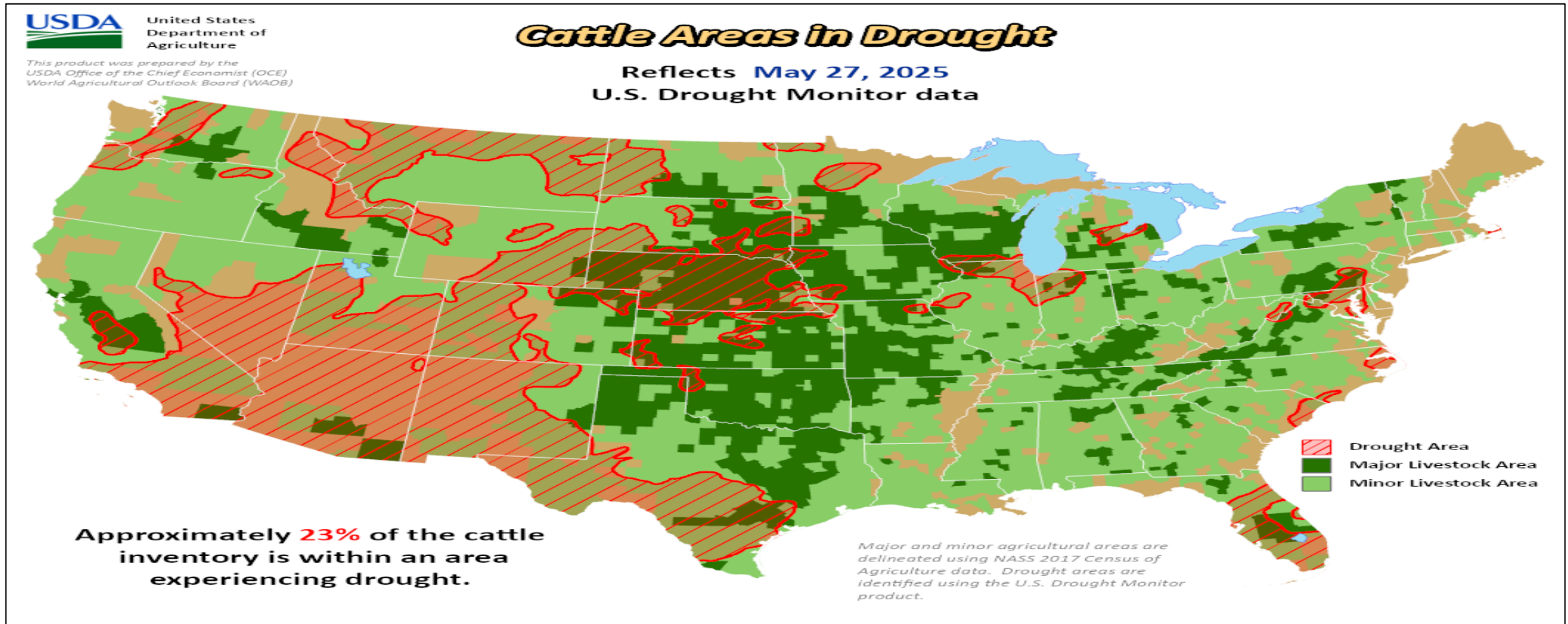
# USDA Crop Situation and Outlook

- 2023 saw prices below total costs of productions and this is likely to continue as similar levels through 2024.
- 2025 costs of production are expected to improve but still result in negative returns.
- Consecutive years of negative returns will likely push acres somewhat lower and start to temper the current excess supply situation thru 2026



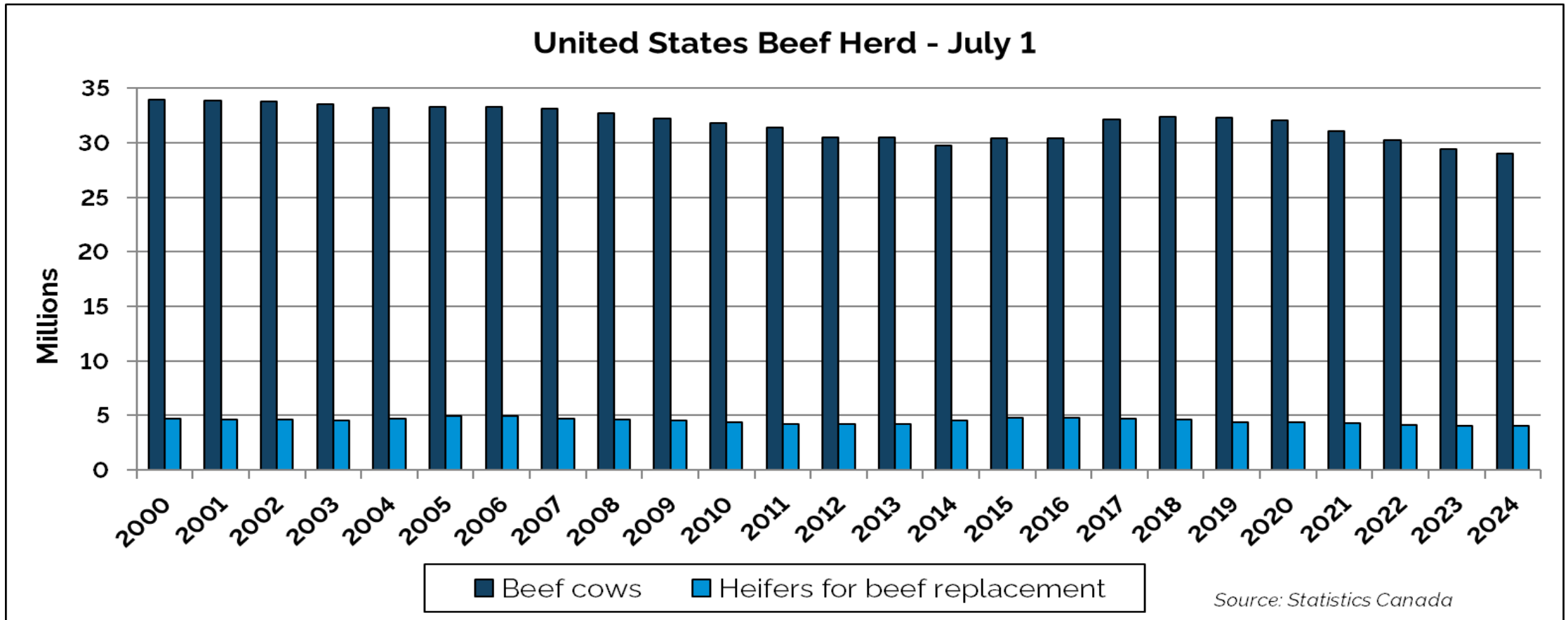
# US Drought Monitor

- Roughly 20% and 30% of corn, soybean and winter wheat area in drought
- Roughly between 30% and 40% of sheep, cattle and hay areas are in drought



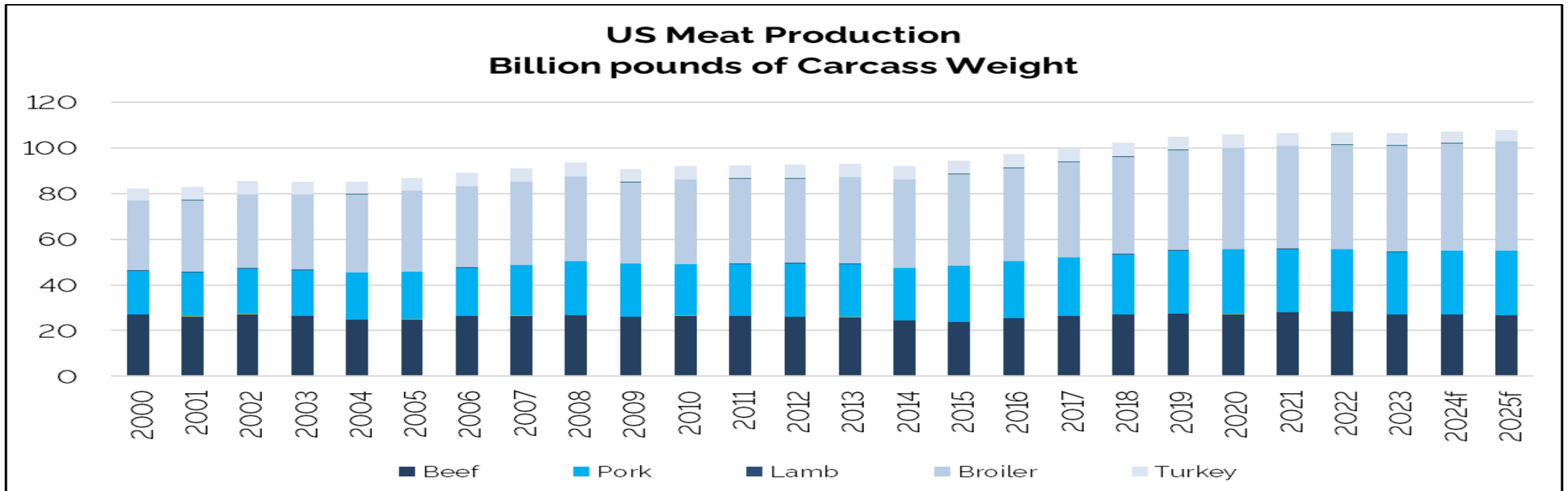
# US Cow Herd

- US cow herd bottomed in 2014, peaked again in 2018 and is now in fifth year of slight contraction.



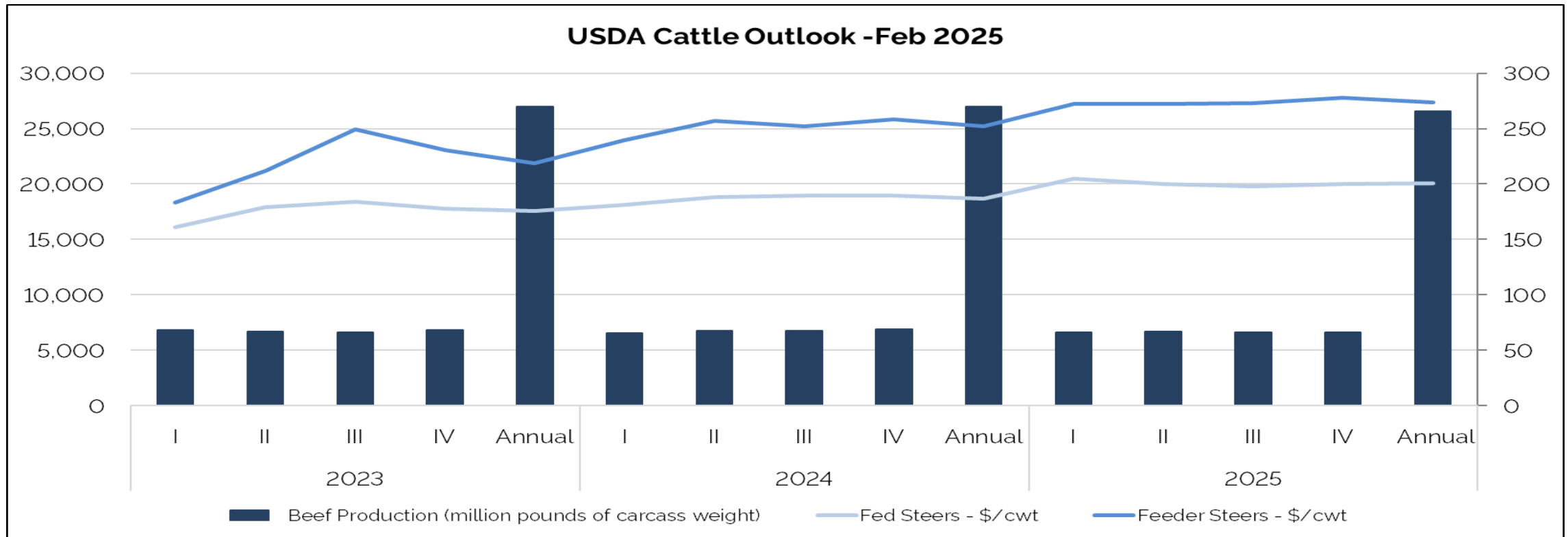
# U.S. Meat Production

- US total meat production has been at record levels year after year
- Pork and chicken have risen roughly 50% and beef less than 1% since 2000
- Beef was steady in 2024 and is expected to decrease 2% in 2025
- Pork rose roughly 2% in 2024 and is expected to increase 3% in 2025



# US Cattle Outlook

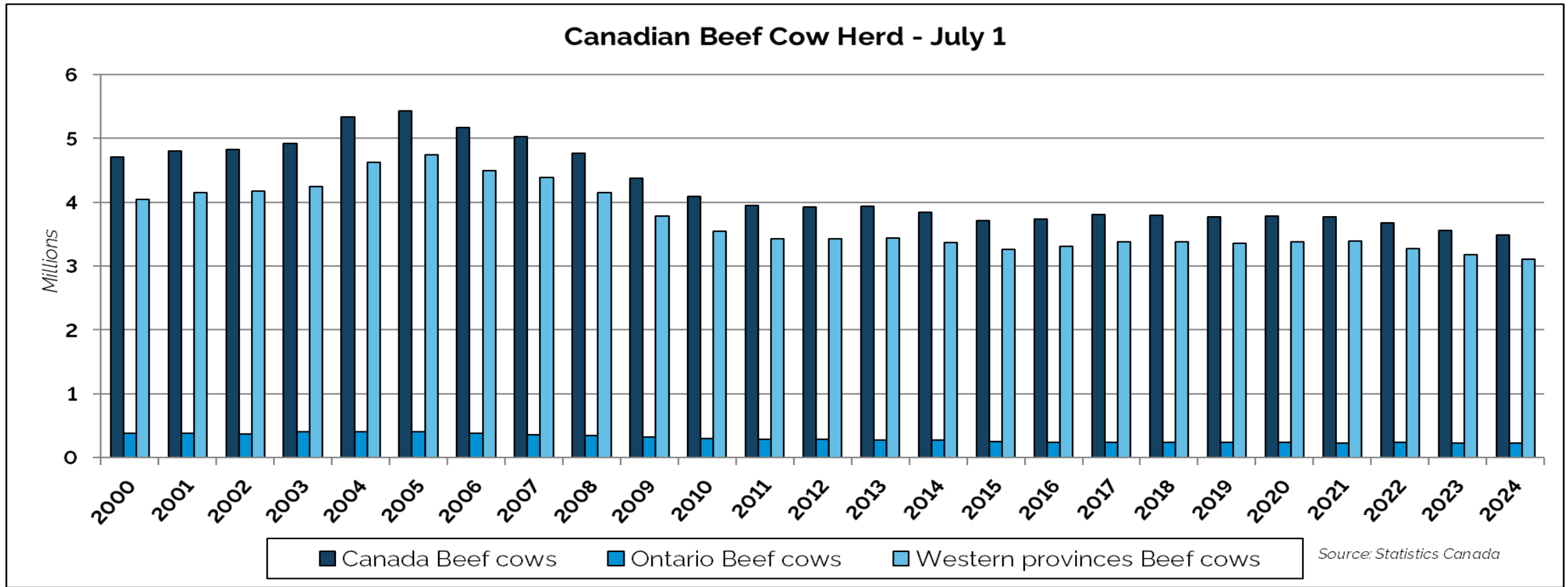
- Beef production was down flat in 2024 and is expected to fall by 3% in 2025.
- Fed cattle prices rose 7% in 2024 and are expected to rise another 7% in 2025.
- Feeder cattle prices rose 15% in 2024 and are expected to rise another 9% in 2025.



# Canada & Ontario Market Situation

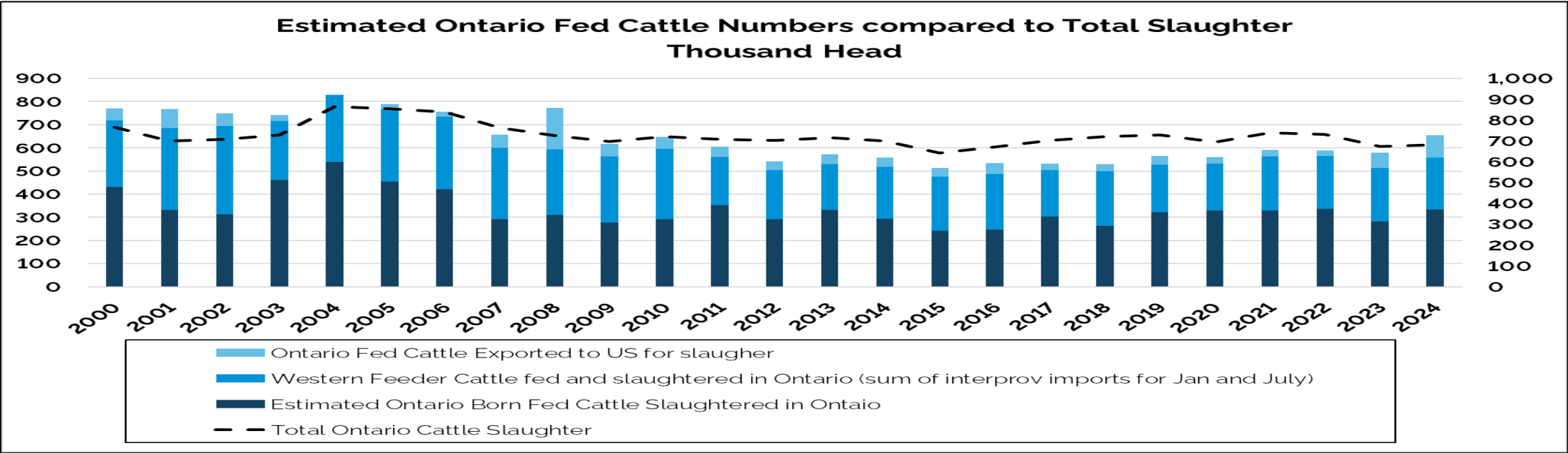
# Canada - Ontario Herd Size

- Canadian cow herd has declined 35% since BSE
- Ontario herd has fallen 45% since BSE – declining almost 1% in 2024



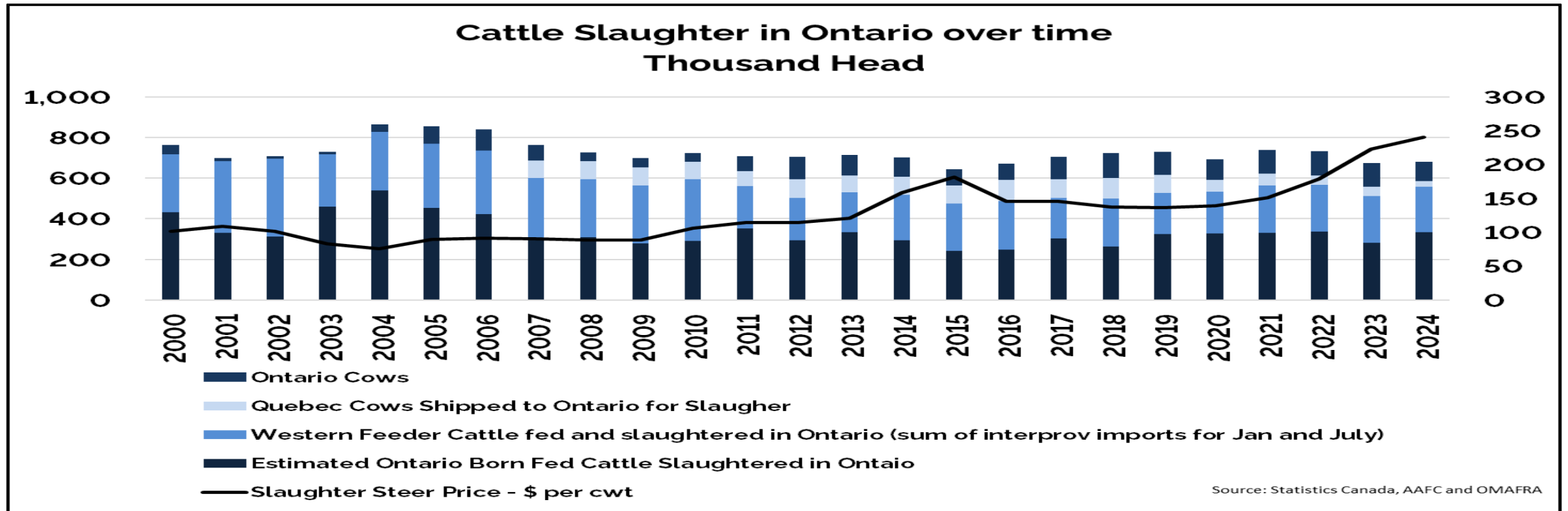
# Ontario Fed Cattle Numbers

- No definitive cattle on feed number in Canada like the US
- Since BSE, an estimated 40% of fed cattle on Ontario feedlots are from Western Canada. 2024 was estimated at 42% and 2025 at 44%.
- Since BSE, an estimated 8% of fed cattle on Ontario feedlots have been sent to the US for slaughter. 2024 was estimated at 14% or about 97,709 head up 45% from 2023
- Gap between number of fed cattle and total slaughtered is filled by cull cows at federal plants



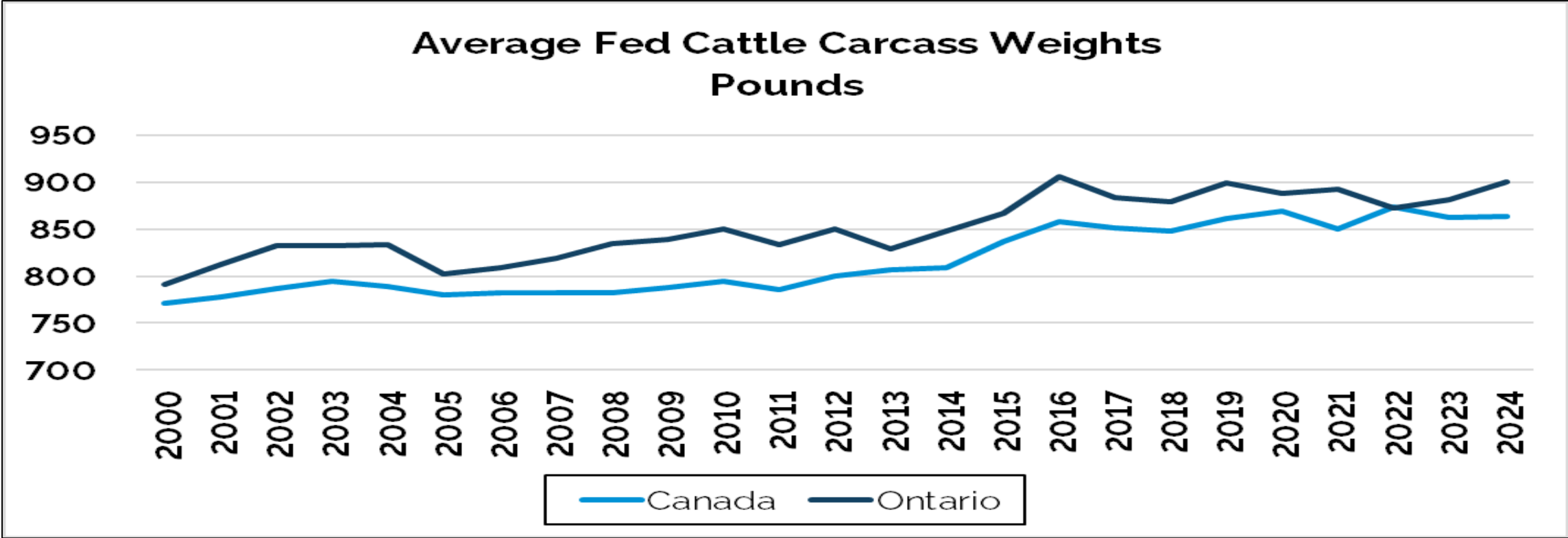
# Ontario Cattle Slaughter

- Average weekly slaughter at federal plants in 2024 averaged 10,934 per week about 2% higher than 2023.
- Roughly 883 cattle per week in 2024 or 8% of federal slaughter were from Quebec.
- Ontario provincial plant cattle slaughter was about 3% or 1,600 per week lower in 2024
- YTD federal slaughter is down about 1% and provincial slaughter down about 5%



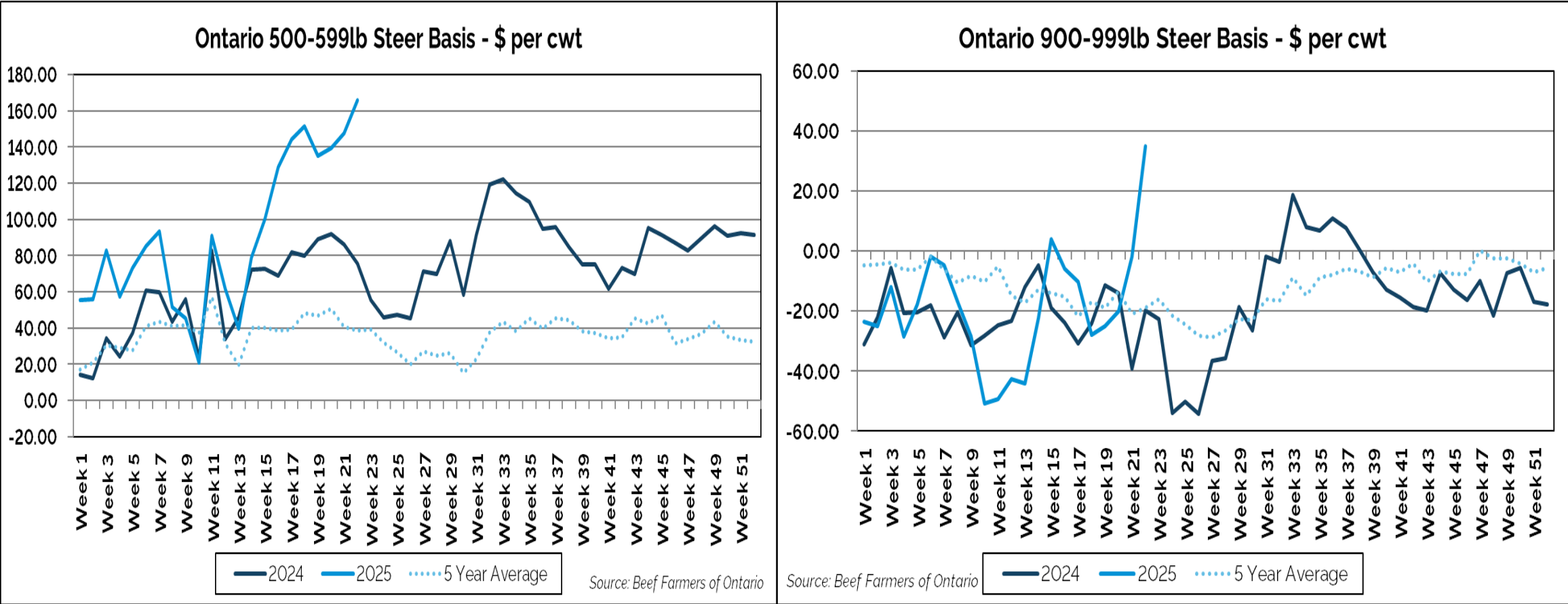
# Carcass Weights

- Strong demand and smaller inventories have led to increasing carcass weights
- Ontario carcass weights in 2024 were up 3% to 899 pounds.
- YTD has averaged 955 pounds – up 2%



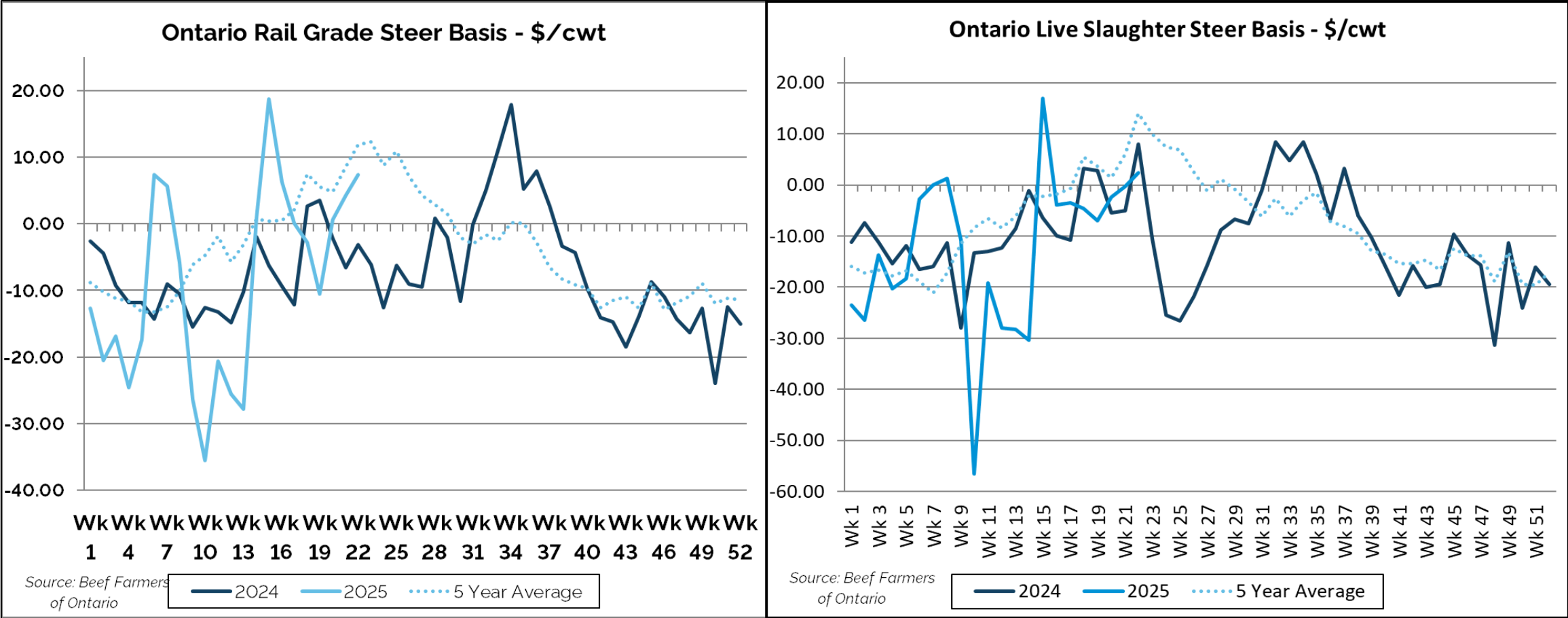
# Ontario Feeder Calf Basis

- Local basis for lighter feeders has been very strong as heavier feeders have been historically weak until recent weeks



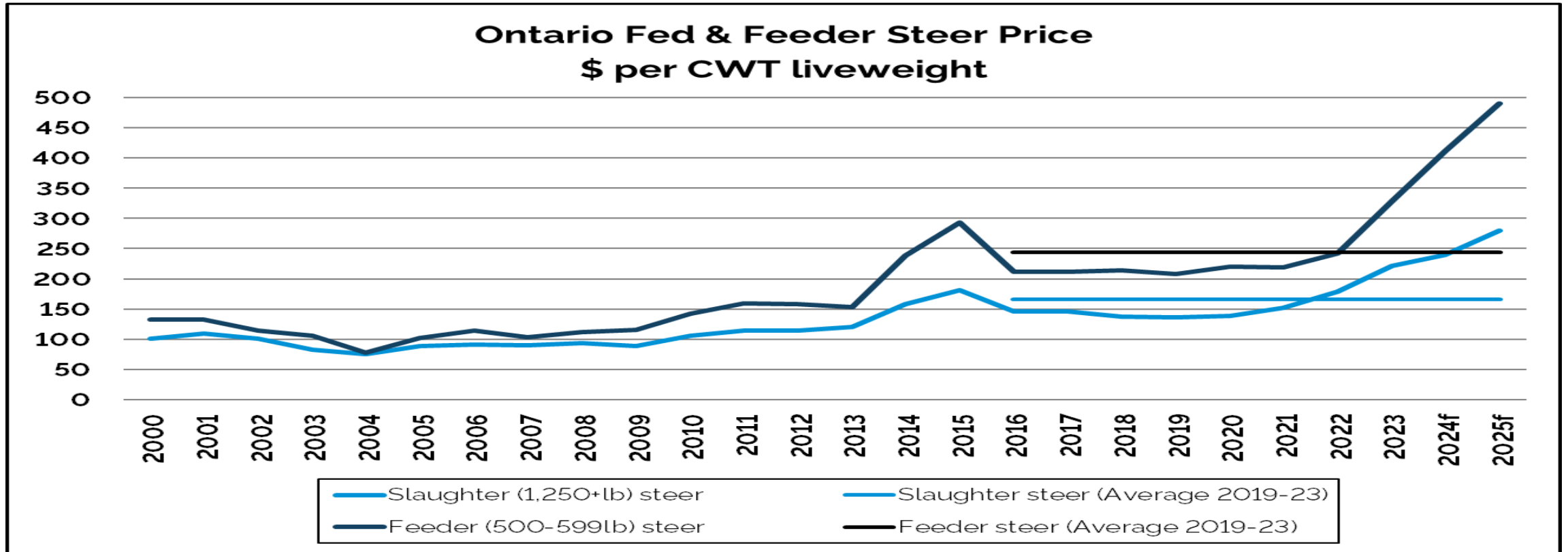
# Ontario Fed Cattle Slaughter Basis

- Despite where rail prices have been thru 2024 and 2025, demand appeared weaker than historical for most of year.



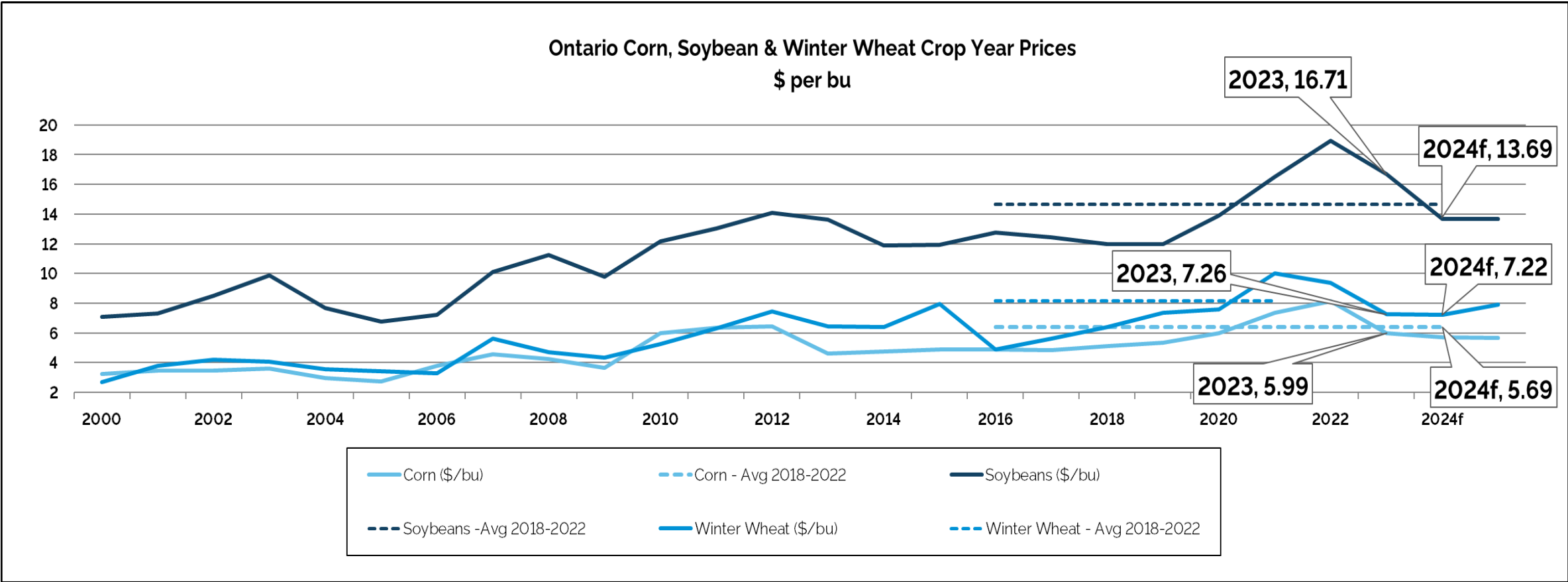
# Cattle Prices

- 2023 exceeded the historical record prices of 2015.
- 2024 saw a slight increase to another record level.

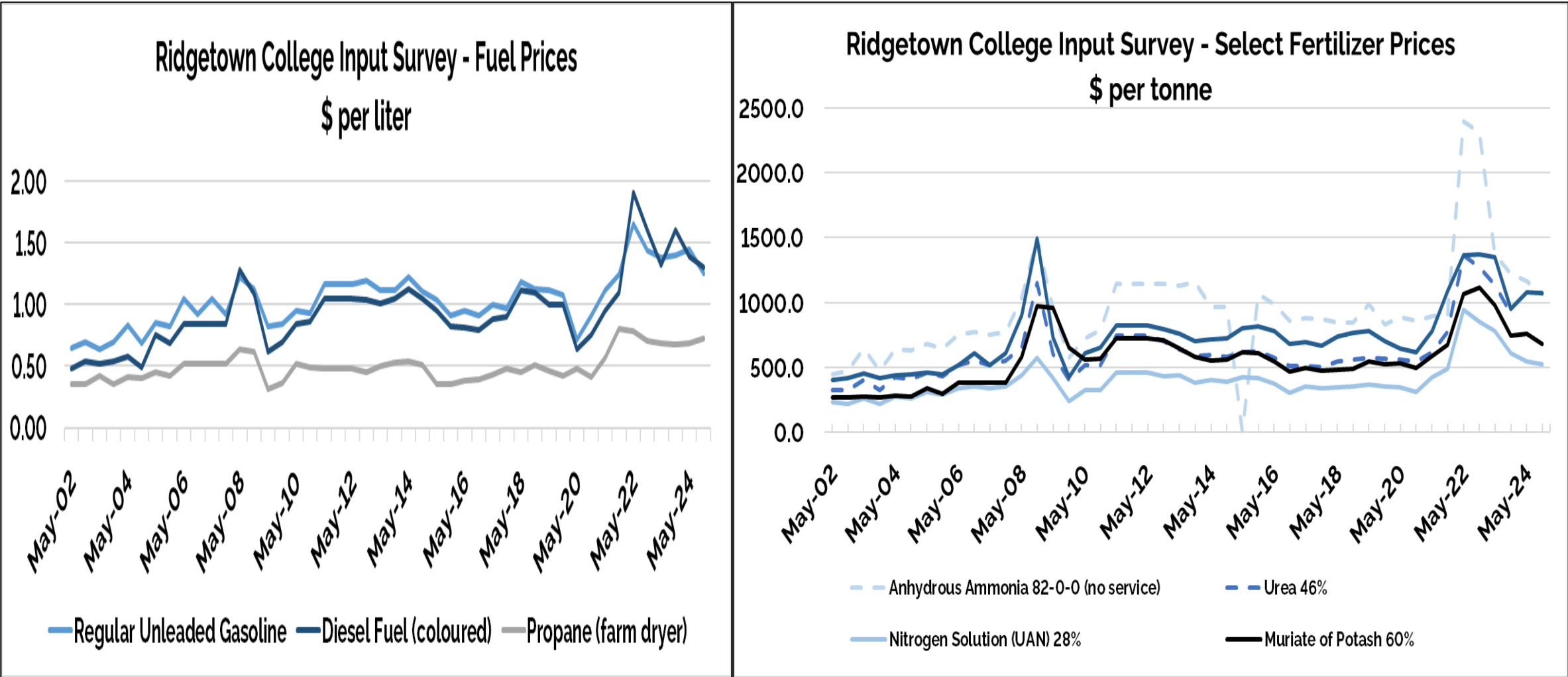


<https://data.ontario.ca/dataset/average-weekly-cattle-prices>

# Corn, Soybean, Winter Wheat Crop Year Prices

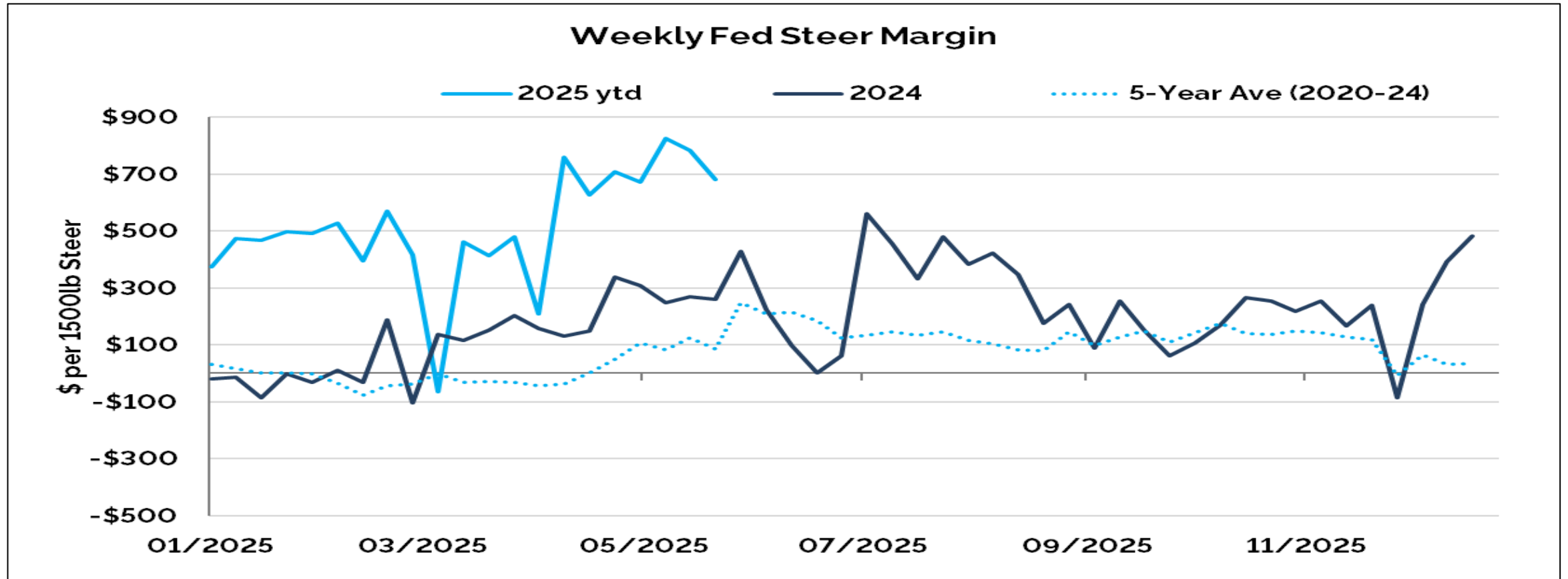


# Farm Operating Expenses Have Largely Stabilized



# 2025 YTD Fed Steer Feeding Margin

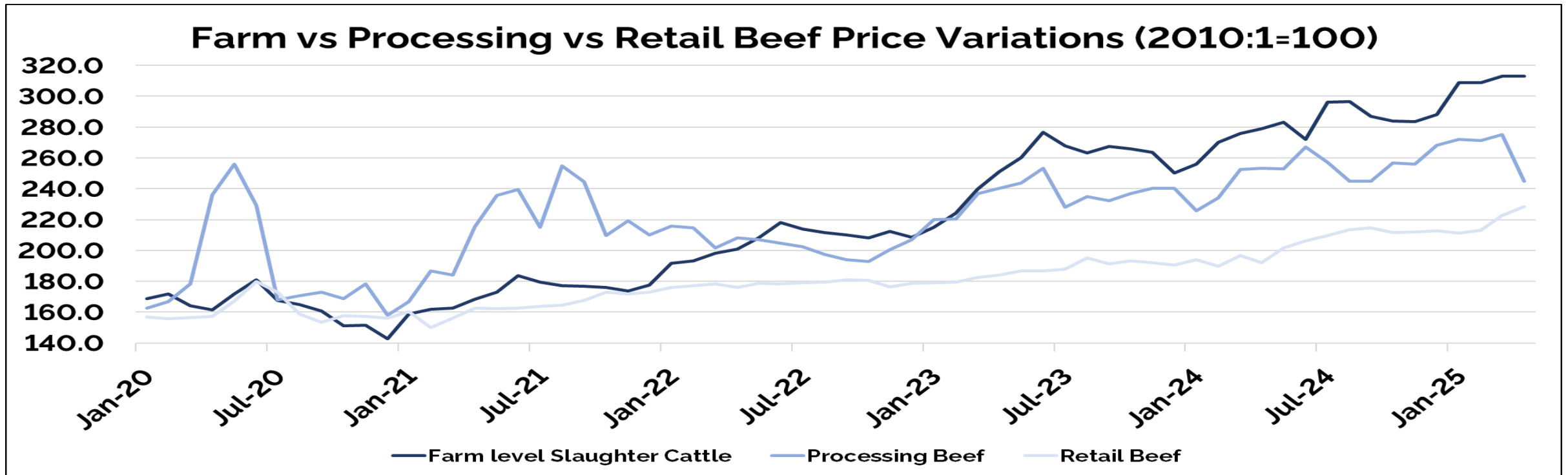
- Combination of strong fed steer prices and gradually falling feed costs has kept feeding margins historically strong for almost all of 2024 and YTD 2025



<https://data.ontario.ca/dataset/average-weekly-cattle-prices>

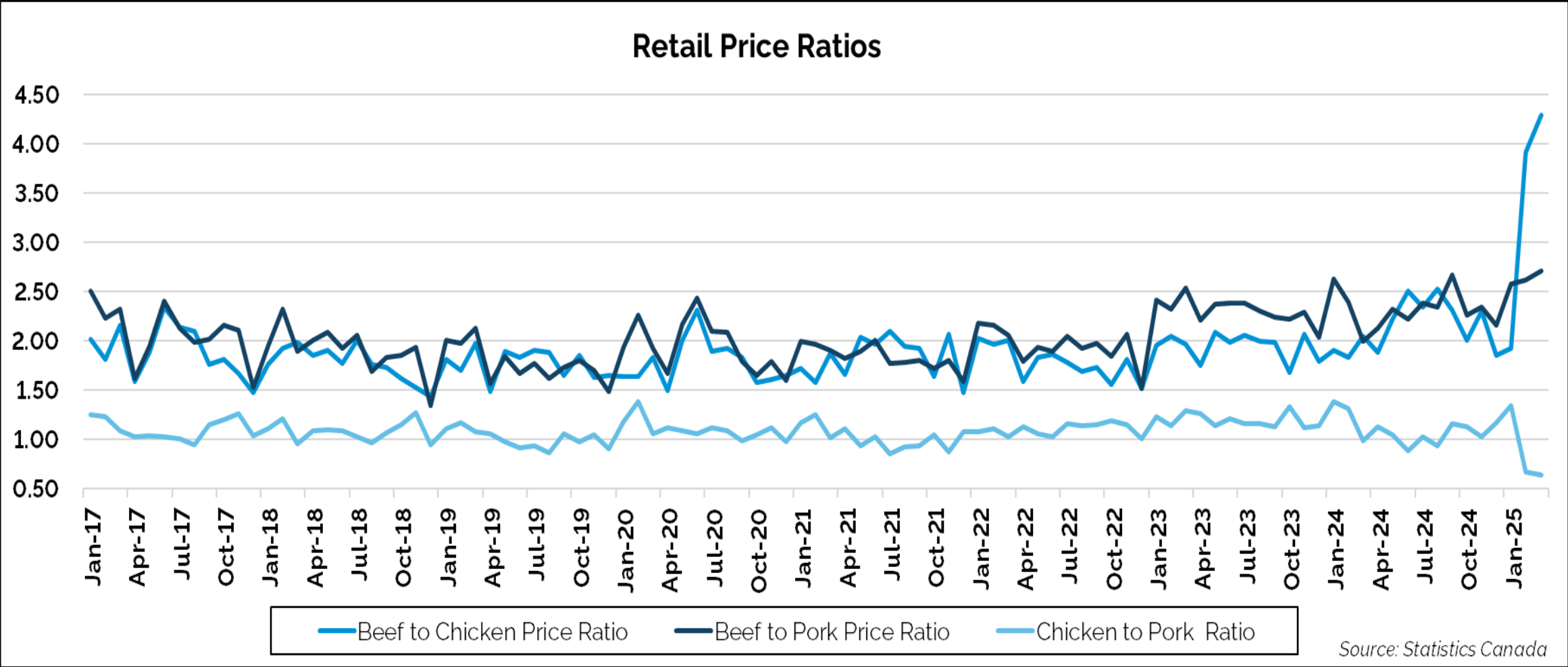
# Farm to Retail Beef Price Movement

- Since the start of COVID **Ontario**:
  - Fed cattle prices have **risen 82%**
  - Processor price of beef has **risen 47%**
  - Retail price of beef has **risen 47%**



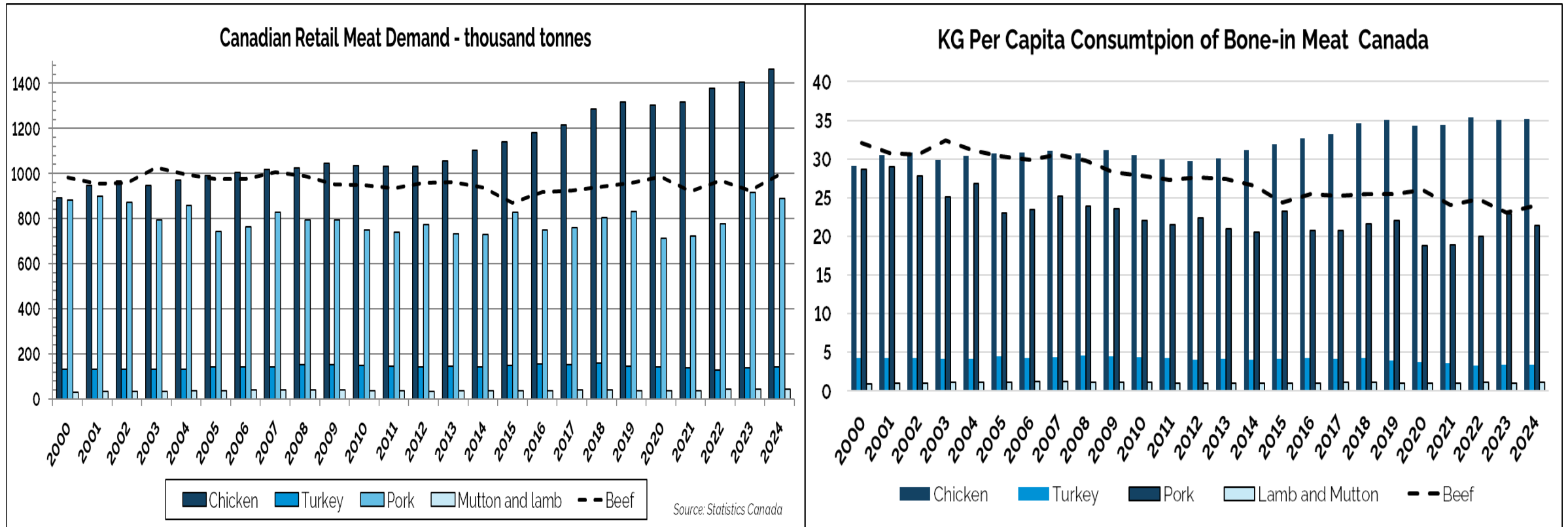
# Retail Meat Price Movement

- All meat prices have been and are near record levels.



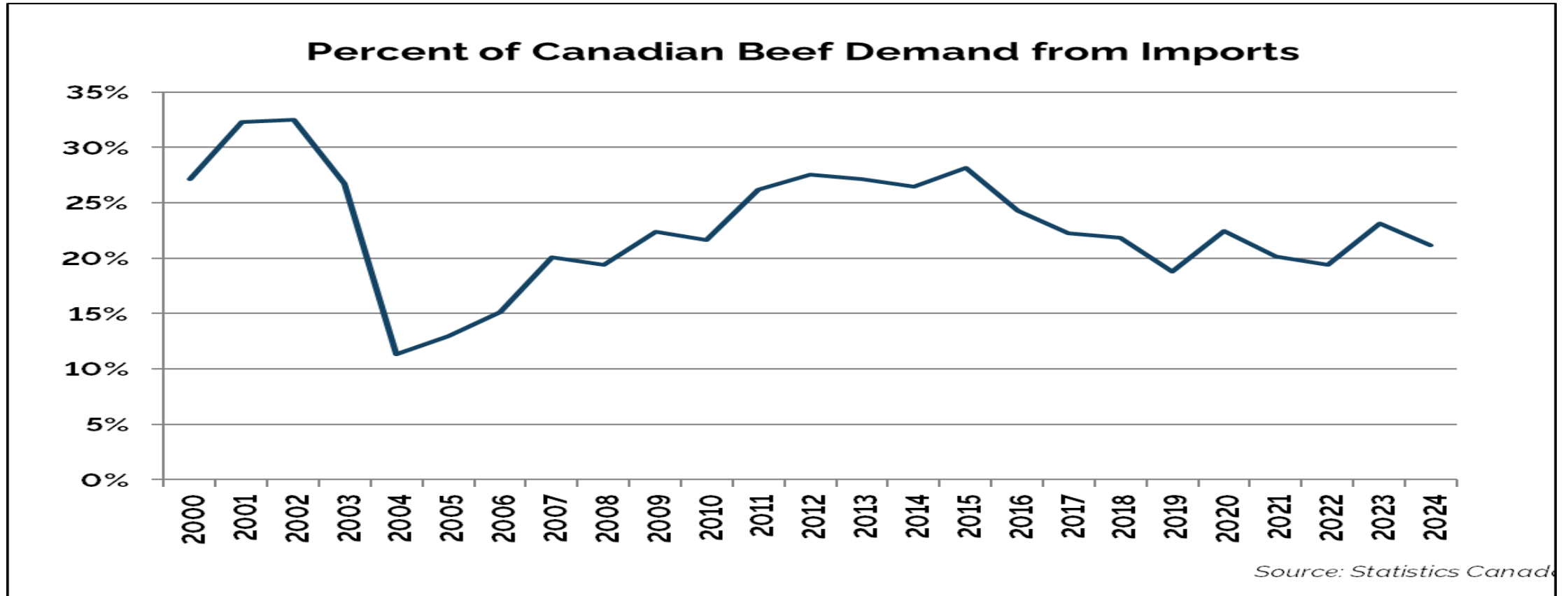
# Meat Demand

- Total meat demand is growing - demand for lean protein is growing significantly
- Chicken is the only meat seeing sustained year over year increases in per capita demand
- 2024 data suggests per capita beef demand rose 4%



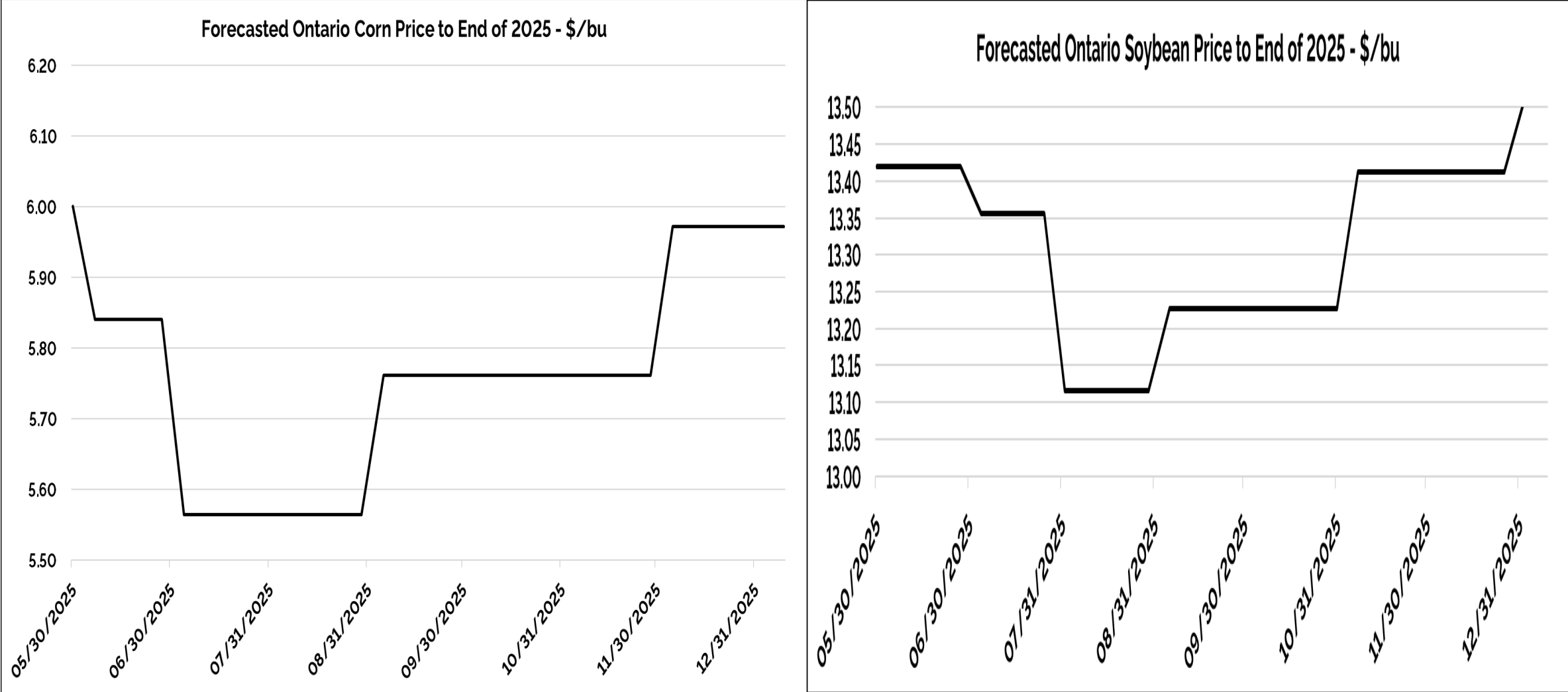
# Beef Imports

- Beef imports are a major part of the Canadian supply chain – 21% of demand in 2024.
- Ontario imports close to 35% of beef consumption.

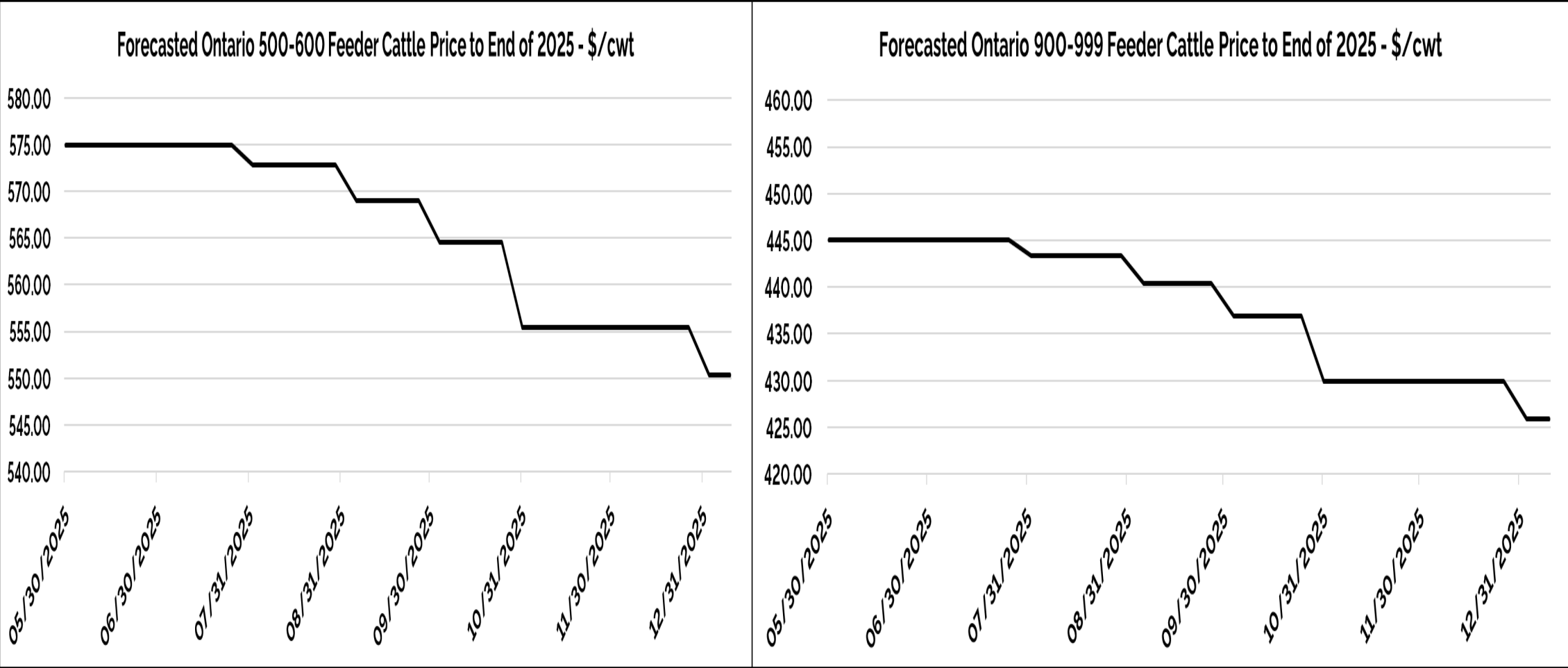


# Ontario Market Outlook

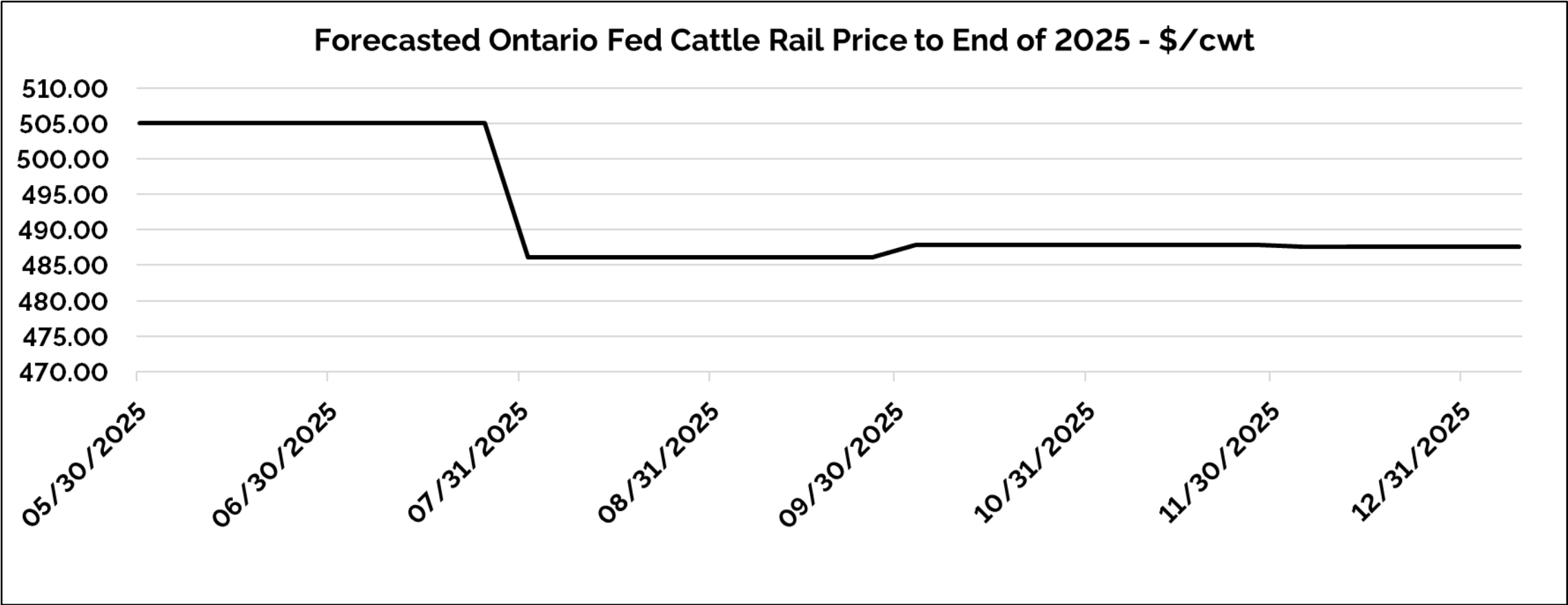
# Ontario Corn & Soybean Price Outlook



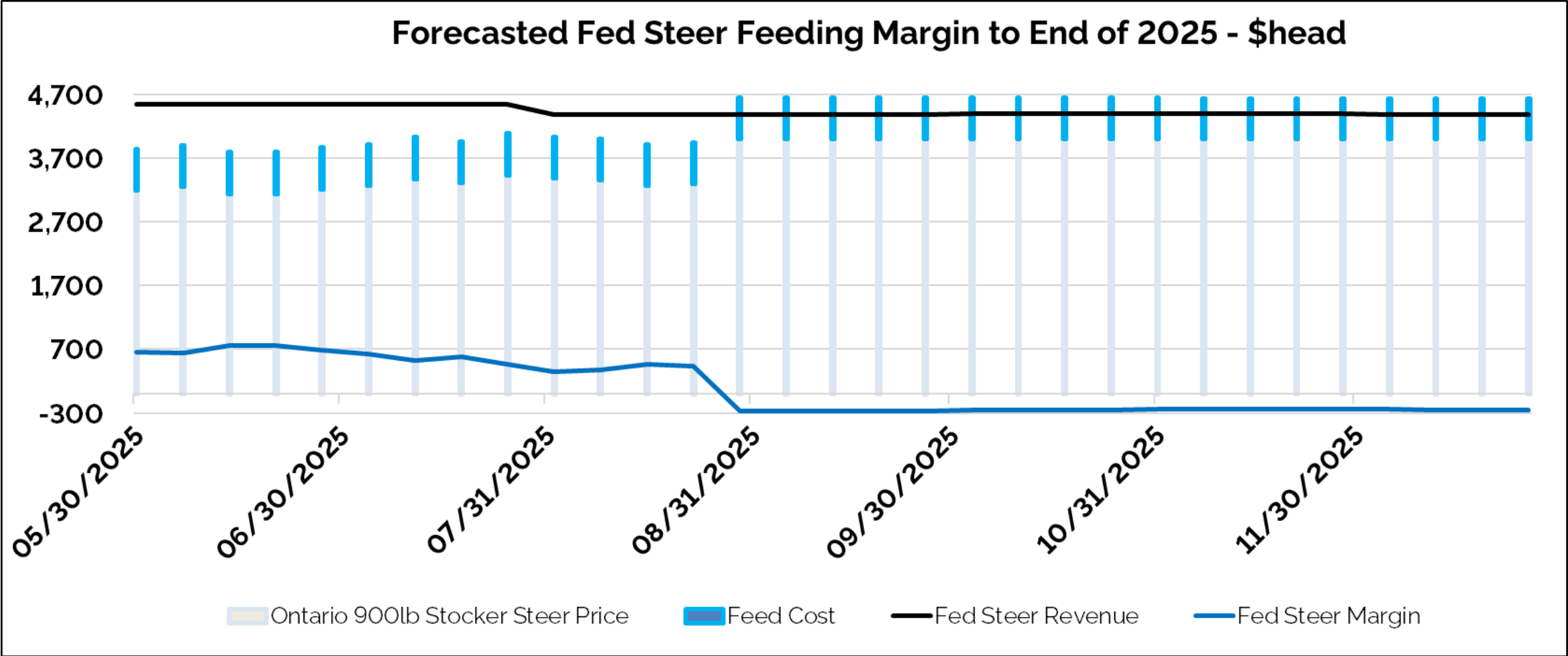
# Ontario Feeder Cattle Price Outlook



# Ontario Fed Cattle Price Outlook



# Ontario Fed Cattle Feeding Margin Outlook



# OCFB Benchmarking Steering Committee

- Goal is to develop a standardized template for the feedlot sector using the popular dairy benchmarking template model as guideline
- Template criteria may require a two-stage approach to the format design for simplicity and uptake interest. In addition, we would look to build the template starting with financials and inventory from AgriStability and sales records from RMP as a way to simplify the startup process.
- Steering committee members to include Bankers, Accountants, OMAFRA, BFO, OCFA, Producers - all with feedlot production/financials experience – Candidates have been contacted and most confirmed
- Secure government Funding – apply under S-CAP or other similar program options
- Recruit 15 to 20 producers willing to participate in this pilot project – if interested please contact myself
- Ensure confidentiality of each producer's information to be a priority, no names attached – clarity discussions held exclusively between the committee accountants and the producer's accountant.
- SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is thought to be an initial requirement completed by each producer to give them an overall perspective of their operation – identifiable manageable areas of farm business

The information below is a realistic example of the type of analysis that OMAFA can offer feedlots that participate in the Risk Management Program (RMP) as part of the Ontario Corn Fed Beef (OCFB) benchmarking initiative. The analysis combines the feedlot's RMP sales and gain data along with farm expenses reported through CRA. This analysis will be done for feedlots of specific annual sales numbers: greater than 5,000; between 1,000 and 4,999; between 500 and 999; and less than 500.

<b>Farm</b>	<b>Feedlots 1000 to 4,999 head per year</b>	<b>Feedlots 1000 to 4,999 head per year</b>	<b>Feedlots 1000 to 4,999 head per year</b>	<b>Your Farm</b>
<b>Year</b>	<b>2020 to 2022 Average</b>	<b>2023 Top 25% of Feedlots</b>	<b>2023</b>	<b>2023</b>
Number of Cattle Sold	5,213	5,456	5,420	5,314
Average Out Weight (lbs)	1,579	1,612	1,580	1,613
Average In Weight (lbs)	927	925	922	962
ADG (lbs/day)	3.36	3.56	3.23	3.29
Total Pounds Gained	3,398,600	3,748,272	3,561,716	3,458,751
<b>\$ Costs Per Head Sold</b>				
Cattle Purchases	1,209.94	1,090.00	1,077.71	1,449.57
Purchased Fccd	643.57	565.00	530.04	666.43
Homegrown Crops	111.46	101.00	101.50	118.27
Overhead (excl owner labour)	106.49	82.00	84.15	94.02
Vet fees	8.78	9.68	10.69	7.64
Interest	20.20	22.03	21.10	33.12
Hired Labour	9.10	4.85	5.90	11.97
Total Operating Expenses	2,112.16	1,782.93	1,833.70	2,384.54
<b>\$ Costs Per Pound of Gain</b>				
Cattle Purchases	1.86	1.59	1.64	2.23
Purchased Fccd	0.99	0.82	0.81	1.02
Homegrown Crops	0.17	0.15	0.15	0.18
Overhead (excl owner labour)	0.16	0.12	0.13	0.14
Vet fees	0.01	0.01	0.02	0.01
Interest	0.03	0.03	0.03	0.05
Hired Labour	0.01	0.01	0.01	0.02
Total Operating Expenses	3.24	2.60	2.79	3.66