

West), fewer disease problems and lower operating capital (feeders and feed are often produced by a single farmer in the West, while Eastern producers must usually buy one or the other). The feed costs, however, give the East a definite overall cost advantage. Despite this fact, 60 per cent of beef animals are fed on the prairies close to the sources of feed grain (barley). Ontario feeds 32 per cent of the nation's beef.

In comparing the feeding costs between Canada and the United States it is important to consider that all producers in the United States are potential competitors in our beef markets. Comparisons must be made with the least cost areas as well as those areas with conditions similar to Canada. This is necessary particularly when distances to market are considered. It is 2200 miles from Calgary to Montreal but Montreal is only 1300 miles from Nebraska (in the corn belt), 2000 miles from Texas, and 1500 miles from Florida. All of these regions, which are major beef production regions with considerable climatological advantage,<sup>1</sup> are within shorter reach of our major markets than is our present major beef supplier — Alberta.

The following analysis outlines a cost comparison based on actual feedlot costs. Data on Canadian costs was again obtained from Agriculture Canada, based on their cost calculations for the slaughter cattle program under the *Agricultural Stabilization Act*. In addition, Alberta Agriculture provided a detailed trend analysis of feeding costs in that province. To supplement this, individual contacts with producers were made in Eastern and Western Canada and numerous cost of production studies were consulted. To obtain United States costs, a number of studies were collected from universities in various cattle producing regions of the United States, a large sample of feedlots in the Southern states was analysed and numerous individual contacts were made with producers. The data from the Southern States was from Texas, Oklahoma and Kansas and covered thirty major feedlots with over one million head of cattle on feed.

The first comparison is again made on the basis of cash costs which included:

- (a) Feed costs
- (b) Interest on the feeder animal
- (c) Other costs:
  - (1) miscellaneous costs
  - (2) veterinary
  - (3) labour
  - (4) buildings and equipment
  - (5) taxes

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<sup>1</sup>Indeed 68 per cent of the American beef cattle population is raised below the Mason-Dixon line. (USDA, *Agricultural Statistics*, Washington, 1976)