

beef and veal for 1977 was set at 144.5 million pounds (product weight) which was allocated as follows: United States, 24.75 million pounds; Australia, 59.35 million pounds; and, New Zealand, 60.65 million pounds. Live slaughter cattle and calves were excluded from these agreements.

The fact that our special status in the American market has ended was re-enforced this July when after negotiations with the United States about the level of exports, the federal government was forced to require individual export permits for shipments of dressed beef and veal to the United States to forestall the premature filling of our quota of 75 million pounds. Canada's position is now the same as all the other suppliers of beef to the United States, we have a quota and we must keep to it.

## **Canadian Beef Trade with the United States**

We have already discussed Canada's changing relationship to the United States in our trade in beef and veal. When we consider the relationship between the beef cycles of the two countries, with the American market setting our prices based on their production costs, we find Canada ending up at a disadvantage. It is necessary, therefore, to carefully analyse our respective production costs and their relation to the present beef cycle to determine how our trade policy can make this relationship more equitable.

## **Canadian-American Trade Patterns**

There are well established trade flows in cattle, beef and veal between Canada and the United States. Canada exports feeder cattle from Western Canada and slaughter cows from both Eastern dairy herds and Western beef herds to the United States. It imports from there grain fattened slaughter animals for Eastern Canadian markets. In the dressed beef market Canada exports boneless beef while the United States sends boneless beef and high quality cuts for the Hotel, Restaurant, and Institutional trade into Canada. Canada has been a net exporter to the United States of feeder cattle (in varying quantities) and of dressed beef and live cattle in eight of the last ten years, with a positive balance of 263,673 head in 1976 (Table X). Canada, however, has been an overall net importer of beef since 1969 because of the large imports from Oceanic countries especially since 1972.<sup>1</sup>

---

<sup>1</sup>Appendix C, Table III, page 94.