

The results of the comparison, adjusted to Canadian dollars, are presented in Table XI. It is clear that the American producers have the cost advantage. In 1975 the average cash cost for the two United States regions was \$20.86/cwt of calf produced, while the overall Canadian average cash cost was \$31.50. The main factor in the difference was winter feed costs. Because of the mild winters American cattle can graze on crop residue and winter pasture for a much longer period so they require less grain and hay during this period than Canadian cattle. The other factors roughly balance out, although the miscellaneous cash costs are somewhat higher in the Canadian average.

In order to support these figures the detailed costs for each region of the United States study were also listed.<sup>1</sup> Another comparison was made by the Committee of cow-calf production costs in Alberta and Nebraska. These figures<sup>2</sup> show a cost advantage to American producers of \$10.54 agreeing almost exactly with the National Average data. A further comparison is made of some average costs from Alberta and Saskatchewan which are similar to the Canadian averages.<sup>3</sup>

TABLE XII  
Cash Cost of a Finished Steer based on the Cost of Feeder Animal

	Canada		United States	
	Cost/Cwt	Total Cash Cost	Cost/Cwt	Total Cash Cost
Average cash cost of producing 450 lb steer calf—1975	\$31.50/cwt	\$141.76	\$20.86/cwt	\$ 93.90
Average cash cost of producing 600 lbs of gain 1976 (basis Cdn. costs)	\$37.25/cwt	\$223.50	\$37.25/cwt	\$223.50
		\$365.26		\$317.40
Average cash cost of producing 1050 lb steer	\$34.78/cwt		\$30.22/cwt	
Difference Can/U.S. (\$4.56)				

If American producers can produce their calves and feeder animals significantly cheaper than Canadians it is to be expected that their finished animals will also become profitable at a much lower price. When the average calf production costs, calculated above, are utilized in a calculation of slaughter cattle costs, this expectation is confirmed. In the above

<sup>1</sup>Appendix D, Table I, page 100.

<sup>2</sup>Appendix D, Table II, page 101.

<sup>3</sup>Appendix D, Table III, page 102.