

Saskatchewan combined ship about 30 per cent of their weekly slaughter into the Montreal market. The majority or 75 per cent of this beef moves by rail in carcass form. However, a recent innovation and one which is important to the Western packing industry, is the shipment of "boxed beef" or primal and sub-primal cuts. Presently 39 per cent of carcass beef is processed in this way for the retail trade and further growth could add jobs to the Prairie economy.

Toronto is another major beef market. The majority of finished animals supplying this market are fed out in Ontario. In order to supply this volume Ontario feeders must bring 300,000 to 500,000 feeder calves from the West each fall.¹ These calves are fed primarily on corn and corn silage grown in Ontario, in fact less than 5 per cent of the cattle are fed on Western feed grains. Large numbers of cows and bulls also move into the Toronto market from the Prairies.

The marketing of beef cattle involves a large movement of cattle from west to east. Some studies contend that this east-west movement is wasteful and that cattle should move north and south between Canada and the United States. The Committee doubts that this change would be in the long term interests of the Canadian beef industry. It would reduce Canada to a supplier of feeder calves, deprive grain farmers of a valuable market for feed grains, and increase Canada's dependence on imports.

Recent Changes in Canada's Trade Patterns

Canada is an importer and exporter of beef, veal and slaughter cattle, and therefore a participant in the international beef trade. During the past decade instability in this market, indeed in all agricultural commodity markets, has increased with serious implications for Canada.

The majority of Canadian trade in cattle and beef and veal is with the United States, Australia and New Zealand, with a small trade in processed meats with some South American countries. Imports from all sources have increased over the last decade forcing Canadian producers to accept a smaller and smaller share of the Canadian market. Imports equalled 1.7 per cent of Canadian production in 1967 but had increased to 13.3 per cent in 1976, as illustrated in Table III.

Canadian beef production follows a predictable cycle which is closely tied to the beef production cycles in the United States. The Canadian

¹Agriculture Canada, *The Canadian Beef System*, Food Systems Branch, November 1976, p. 5.