

Canada Weekly

Volume 3, No. 2

January 8, 1975



Ottawa, Canada.

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Canada's beef industry – the facts about price disparities

Inflation, particularly the rising price of food, has made everyone price conscious. It has also given consumer matters a priority rating with the news media never enjoyed before. The price of meat and other foods, rather than being mentioned only on the advertising pages, has become front page news.

Consumers, and consumer-affairs reporters, are beset with a confusing array of statistics and conflicting claims of where the blame lies for alleged price disparities.

How, for example, does one relate 10-cent-a-pound cattle at the stockyards to \$2-a-pound steaks in the supermarket?

Unfortunately, says Canada's Department of Agriculture, the beef industry is too complex to be explained in a brief newspaper story or a one-minute radio news item.

The Department provided the following facts to help the public better understand the problems of the beef industry:

Canadians eat beef at the rate of 92 pounds per person per year – and this has been increasing steadily over the years.

Livestock account for more than half of the total farm cash receipts. Cash receipts in 1973 were \$6.8 billion of which \$3.9 billion – or 57.8 per cent – were from livestock products. Beef is by far the largest single part of that.

In addition, slaughtering and meat processing is the third largest manufacturing industry in Canada with annual sales of more than \$2.5 billion.

The beef industry has not escaped the pressures of world-wide inflation and commodity scarcities, although it has done better than some in coping with the problem.

During 1972 and 1973, faced with a strong world demand for beef and low feed-grain prices, livestock producers began to increase their herds. Canada's cattle population is up 6.1 per cent this year over that of 1973 and totals nearly 15 million animals.

Beef producers now, not only in Canada but in many parts of the world, are faced with a serious cost-price squeeze as rising feed-costs coincide with an increase in beef supplies and a slackening in consumer demand. The natural tendency in such a situation is for the producer to liquidate his herd to cut input costs. The heavy volume of cows arriving at the stockyards as winter approached indicated that this was happening to a certain extent. The

Export controls on livestock and meat

Canadian cattle, hogs, beef and pork, including processed pork products for export to the United States only, were put under export control for an indefinite period effective midnight December 15, 1974.

Industry, Trade and Commerce Minister Alastair Gillespie said that this action had been taken to protect, in so far as is possible within the limits set by the U.S. import quotas, traditional trade patterns between Canada and the United States.

The controls will apply to live

cattle and hogs, fresh, chilled and frozen beef and pork, and cured, cooked or canned pork. The main object is to control Canadian exports of meat and livestock to ensure that those items that have traditionally been traded between Canada and the U.S. and which have found a ready acceptance as recognized Canadian products in the U.S. market, will continue to be available in that market to the maximum extent under the present constraint of U.S. quotas, and pending an early settlement of the issue of the livestock and meat trade between Canada and the United States.