

operations as an important element in the industry, the great majority of cattle are still raised and finished on family-sized mixed farming operations. The majority of producers combine their beef enterprise with other enterprises to maximize the use of resources, such as marginal land, and to balance and diversify the sources of farm income. This has important implications for the development of long-term stabilization programs.

Canada is also a major exporter of beef and dairy breeding stock. Our largest market for beef breeding stock is the United States. Dairy stock is also sent primarily to American buyers but Mexico, Trinidad-Tobago, Spain and Italy are also big customers. This trade, illustrated in Table II, is an important aspect of our cattle industry. The improvement of breeding stock is important to every cattle producing country and can best be achieved through reciprocal free trade.

TABLE II
Value of Breeding Cattle Exported

Year	Purebred Dairy	Purebred Beef
	Value in millions of dollars	
1973	20.1	12.3
1974	14.0	21.1
1975	13.4	11.3
1976	17.6	10.9

The dairy herd is also a major source of beef supply in Canada, providing 25 per cent of the beef consumed in Canada. Dairy calves from Ontario and Quebec produce the majority of the veal, a product which is consumed mainly in Eastern Canada. In Western Canada many male dairy calves are fed out along with the beef calves. Dairy type animals will usually bring a lower market price than beef calves of the same grade because of what packers and retailers claim is poor consumer acceptance. For this reason, dairy producers are usually unable to achieve a profitable return on the sale of their male dairy calves.

Marketing of Beef in Canada

The Canadian market for beef is similar to that of many other agricultural products, the supply is centered in the west and the demand or consumption occurs in the east. The Montreal market, which is mainly supplied with Western beef, causes the largest movement of Canadian beef. Alberta ships about 40 per cent of its weekly slaughter while Manitoba and