

Chapter I: The Canadian Beef Industry

Scope of the Domestic Industry

The beef industry is one of the most important industries in the Canadian economy. In the farm sector, receipts from the sale of beef, cattle and calves are the second largest source of income, their value exceeded only by revenues from grain sales. In the industrial sector, the meat packing industry is the largest food industry and the third largest manufacturing industry, behind only the automobile and the small appliance industries in terms of total sales and wages. Furthermore, it has been estimated that in 1971 the livestock red meat industry contributed 12 per cent or 10.97 billion dollars of Canada's gross national product of 92.1 billion dollars.¹ The beef industry is, therefore, important not only within the agricultural sector but within the economy as a whole.

The impact of the beef industry within the agricultural sector is significant. The predominant finishing process in Canada, grain feeding to slaughter weight, requires considerable quantities of feed barley, corn, and soybeans and provides a strong domestic market for these grains. Beef production also requires extensive quantities of agricultural land. In 1976 twenty-four million acres were devoted to improved pasture and hay land and an additional fifty million acres of range land was used mainly for beef production. In total about 45 per cent of Canada's available farm land is utilized for the provision of cattle forage and pasture. Indeed, in Western Canada some 33 percent of farm land can only be used for grazing.

The production of beef cattle takes place primarily in Western Canada although every province has at least some cattle raised for this purpose. The value of the Canadian beef herd on farms was \$2.75 billion in 1976.² The herds of the prairie provinces represented 77 per cent of the Canadian beef cow population in 1976. Ontario herds contained 11.5 per cent of the beef cow herd and 32 per cent of the steer population. This strong feeding industry is maintained by a large movement of feeder cattle from Western

¹Josling J. T. & G. I. Trant, *Interdependence Among Agriculture and other Sectors* Agricultural Economics Research Council of Canada, Ottawa, 1966

²Statistics Canada, *1976 Census of Canada, Agriculture, Livestock and Poultry on Census Farms*, Catalogue 96-852, Ottawa, 1977