

CANADIAN CATTLE INDUSTRY

R.K. Bennett, Head of the Livestock Merchandising Section of the Canada Department of Agriculture, says that at the present time indications are that 1958 should be a reasonably good year for Canadian cattlemen. There are at least 100,000 fewer head of cattle on feed in Canada than a year ago and according to a United States Department of Agriculture survey, the number of cattle and calves on feed in the United States at January 1, 1958, was 3 per cent less than last year. This indicates a reduction in the number of cattle to be slaughtered in that country this year.

In 1957 American feeders imported about 204,000 head of feeder cattle from Canada. Mr. Bennett says this was partially due to the fact that the severe drought in the United States had been broken in most areas and many ranchers who would have sold cattle last fall if the drought had continued, were instead in the market to buy. Furthermore, the Americans have a record supply of corn and other feed grains, a situation conducive to cattle feeding. Shipments up to date this year indicate that this strong demand for Canadian feeder cattle is still continuing.

The production of beef in Ontario is based, to a considerable extent, on the purchase of feeder cattle from western Canada. In 1957 Ontario farmers purchased approximately 85 per cent of their feeder cattle and calves from the west. Last year Ontario marketed nearly 700,000 head at public stockyards and packing plants, which meant that feeders bought from the west made up about 25 per cent of all the cattle marketed in Ontario.

Cattle prices, Mr. Bennett says, are closely tied to United States levels. When cattle are in short supply in this country the price level moves up, but as soon as the price at Toronto rises above the Chicago price to an amount equal to the freight and duty, American cattle start to move into Canada. In other words when beef cattle are moving in from the United States, the United States price sets a ceiling above which Canadian prices do not rise. On the other hand, when Canada has a surplus and is exporting cattle, the Canadian price tends to become the United States price, less the cost of shipping. This reverses the situation and the United States price provides a floor below which Canadian prices do not drop.

The story of cattle marketing in Canada is related to the distribution of human population and the areas where beef cattle are produced. Mr. Bennett points out that only about 27 per cent of all Canadians live in western Canada but the west markets nearly 65 per cent of the cattle. This means that western Canada is a surplus area for beef and the east is a deficiency area where only 35 per cent of the cattle is produced. The result is a continuous movement of live cattle and dressed beef from

the west to the large consuming centres of the east.

The quality of beef breeding herds in Canada has always been reasonably high and in the last ten years the quality of animals on a carcass basis in inspected slaughter has been improved tremendously. In 1948 the number of top grade carcasses (red and blue brand beef) in inspected kill, was little less than 6,000 per week, representing about 15 per cent of the total kill. Last year the weekly average in these top grades was nearly 15,000 head or 39 per cent of the total kill.

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SKIM MILK FOR RELIEF

The Secretary of State for External Affairs has announced that Canada is making available a large quantity of dry skimmed milk for international relief purposes. The Government has accumulated some 30,000,000 lbs. of this product under the agricultural price support programme and will offer substantial quantities as gifts to agencies for international relief which carry out large-scale feeding programmes for mothers and children. Arrangements for distribution will be discussed with agencies such as the Red Cross, the Unitarian Service and the United Nations Children's Fund (UNICEF).

The largest single gift is likely to be made to UNICEF, which distributes very large quantities of dry skimmed milk for mothers and children in countries where sufficient fresh milk is unobtainable. In 1957, UNICEF allocated \$1,267,000 worth of dry skimmed milk throughout the world and the consumption from mid-1957 through mid-1958 is estimated at some 92 million pounds. The exact amount of Canadian dry skimmed milk to be allotted to UNICEF in the forthcoming year will be decided upon after its executive board meets during March and establishes its programme for 1958.

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NEW AIRCRAFT ORDERED

The Minister of National Defence, the Honourable George R. Pearkes, VC, has announced that the Government has ordered ten medium transport aircraft of a new type. These aircraft will considerably modernize the facilities of the R.C.A.F. Air Transport Command.

The aircraft, to be known as the Cosmopolitan, will be built by the Canadair Company of Montreal. It will be an all-Canadian version of the proven Convair liner airframe and will be fitted with new British turboprop "Eland" engines made by Napier Limited.

The civil version of this new combination of engine and airframe is expected to have a world-wide sales appeal and the commencement of this project will allow the Canadian aircraft industry to make new bids in the world aircraft market.