

Slaughter of Calves

cattle industry. Cattle are sold across provincial boundaries, exported and so on. Responsibility lies solely on the shoulders of this minister. However, he did not do a darn thing tonight, and the people of this country should not forget that.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, the motion before us under Standing Order 26 contains three specific elements. First there is a reference to the crisis in the meat producing industry. The second was manifested by the destruction of calves in Quebec, although I am not sure the crisis really started there. I feel a lot of people knew about that before the spectacle last night. The third is the high price for beef paid by the consumers of this country. I wish to deal with all three elements in sequence.

First, with respect to the crisis in the beef industry in Canada, it is quite evident that we have one. That crisis seems to stem basically from three things. First, the domestic and world surplus of beef is quite evident to any unbiased observer. The second is the price of feed grains which has risen between 200 and 300 per cent in this country in the past 12 months. Third is the anticipated levelling off of finished beef prices and the relationship of that to the whole equation.

I wish to illustrate the combined effect of high grain prices and the presumed levelling off of prices for finished beef in the industry. To illustrate that I wish to use an example. In 1969-70 feed grain prices were low. The offering price for calves in that particular period in the calf market for entry into the stocker and feeder market went up very substantially because of two factors. First, the input costs to bring calves to market were down because of lower feed grain costs. Secondly, there was an anticipation in the market that beef prices would rise. As a consequence of expectations of good profit by those who were bringing calves through the system, offers for calves rose considerably.

Today the problem is exactly the reverse. Feed grain costs are up 200 to 300 per cent over the past 12 months, and finished beef prices are anticipated to be relatively stable at the present time. Therefore, stockers and feeders are not willing to pay a high price for calves simply because the equation will not allow them the kind of profits they feel are appropriate. Thus, with the expectation of good profits by bringing calves into the system, people will pay more for calves. When they do not expect to be able to bring their calves through the system and make the same kind of profits as they are accustomed to, they obviously drop their offers for calves in the first instance.

Very simply put, the equation is that as feed prices go down, calf prices go up and as feed prices go up, calf prices go down. In the past number of years we have seen that equation fulfilled in every instance. I wish to give some examples of what has happened in terms of the value of calves in the market, bearing in mind the costs of feed grains in the past year have increased between 200 and 300 per cent.

I have statistics which indicate that in the Toronto public stockyards in August and September, 1973, the prices for slaughtered calves, normally called vealers,

[Mr. Nystrom.]

were approximately \$62 in August and \$59 in September. In 1974, the prices for vealers were \$49 in August and \$46 in September. The average price of slaughter cows in August, 1973, was roughly \$40 as compared with \$26 in August, 1974. The price of feeder calves, in August, 1973, was \$63.77 compared with \$40.11 in August of 1974. Yearling steers fetched \$57 in August, 1973, and a year later the price was down to \$40.22. These statistics certainly show there is a crisis in the calf market.

• (2240)

An hon. Member: What is the solution?

Mr. Cafik: Wait. I want to get the principle established first. That is more than the hon. member who raised this question sought to do.

There is no doubt at all that there is a crisis. People selling calves are getting less money than the costs they must incur entitle them to get. I do not know the solutions to all these complex problems by any means, but there can be no doubt that under our constitutional form of government, the solution, whatever it is, must be worked out along the lines of federal-provincial co-operation. The provinces themselves have taken steps to alleviate the immediate difficulty, and I do not think there is any doubt in the minds of anyone in agriculture that the Minister of Agriculture (Mr. Whelan) is lending his full support. He stands unique among ministers of agriculture in the concern he has shown for producers in this land and for the action he has taken on their behalf.

Some hon. Members: Hear, hear!

Mr. Cafik: The second element to which the hon. member for Oshawa-Whitby (Mr. Broadbent) directed our attention obviously concerns the destruction of food in the province of Quebec, dramatically illustrated last night on television. Action of that kind cannot be condoned in my opinion and my hon. friend, the Minister of Agriculture, concurs with that view. One appreciates that the situation in which these producers find themselves must be severe when it drives them to this kind of action. As I say, it is understandable, even though it cannot be condoned.

The third element involved in this motion is that of high prices to consumers. As Parliamentary Secretary to the Minister of Consumer and Corporate Affairs I should like to address myself in some detail to this question. First, I am a little nervous that a false impression might be created by the motion itself and by last evening's dramatic illustration of the low price which calves are fetching.

The impression may be left that the price of beef cattle in all ranges has declined as far as the producer is concerned. The information at my disposal does not indicate that this is true. Beef production is a complex business. There is the finished beef market, the stocker market, the cow market, the cow-calf operation. Lower prices to the producer have not been recorded in all those areas.

Today the price producers receive for finished beef is not very different from what it was last year, and 70 per cent of the beef we buy for our tables comes from the finished beef market. It is important that consumers should understand this lest they get the impression that, because calf prices have declined so significantly, the