



## The Importance of Cattle Price Reporting January 2018

### Background

Over the past decade and a half, the North American fed cattle market has changed, and an increasing number of cattle are sold on grids, formulas, and contracts. There has been an abrupt drop in cash volumes, particularly since 2010; as a result, Canada’s fed cattle cash pricing data has become thin. This data is sourced from CANFAX, Beef Farmers of Ontario and Fédération des producteurs de bovins du Québec.

Reduced cash trade has implications not only for producers, who utilize the data for making marketing and risk management decisions, but for support programs such as price insurance, income and disaster programs, as well as policy and regulatory development. Historical price data is used in market impact assessments and strategy development by industry and government, including trade dispute resolution processes.

### Facilitating Business Decisions

Consolidated, up-to-the-minute pricing information made available through price reporting helps producers seek out a superior bargaining position, and informs their sales decisions.

Trends in market prices collected through price reporting help inform forecasts. Together, trends and forecasts can help producers make business management decisions related to herd size and breeding.

### Business Risk Management Programs

Price series developed by CANFAX are used by AgriStability to develop Fair Market Values and Benchmark Per Unit margin calculations. These figures help to evaluate producers’ inventories, and estimate program support levels for new producers, and producers whose farms have changed significantly.

CANFAX price series are also used to develop weekly insured coverage and policy settlement prices for the Western Livestock Price Insurance Program, supporting a flexible four-week settlement window for cattle producers. As well, CANFAX price and basis series are used to forecast cattle prices and set cash advance rates for the Advance Payments Program.

**How to report?** It is as easy as picking up the phone or sending an email

Canfax (West)	Canfax (East)
Ph: 403-275-5110 or <a href="mailto:info@canfax.ca">info@canfax.ca</a> Website: <a href="http://www.canfax.ca">www.canfax.ca</a>	Beef Farmers of Ontario Ph: 519-824-0334 or <a href="mailto:markets@ontariobeef.com">markets@ontariobeef.com</a>