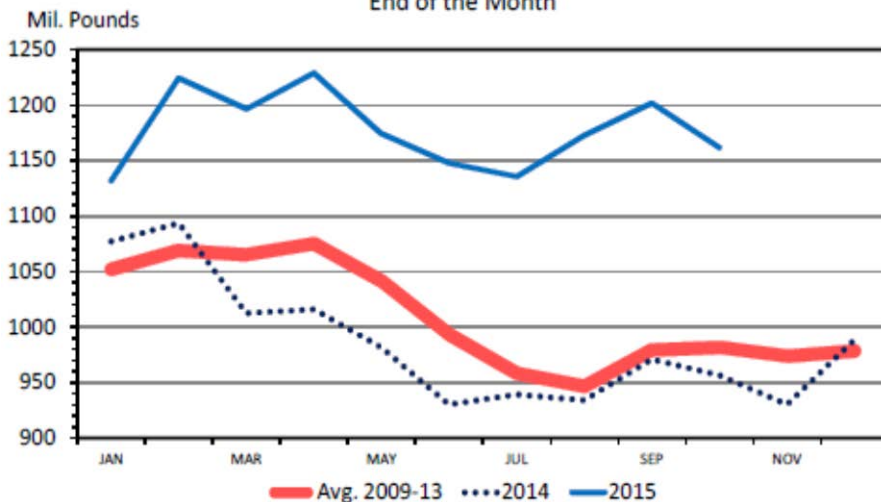


Large Meat Supplies in Storage

The USDA recently released the Cold Storage report which indicated that protein supplies in cold storage remain well above year ago levels. Total red meat in cold storage at the end of October was 21 per cent larger than 2014 while the amount of frozen beef in storage at the end of October was 34 per cent higher than 2014. Since reporting began in 1990, only 2002 saw a larger volume of beef reported in storage for the month of October. The majority of product in storage is boneless beef and is mostly imported manufacturing product.

TOTAL RED MEAT IN COLD STORAGE
End of the Month



Source: USDA-NASS

Although beef accounted for the largest increase all other protein sources in cold storage were also above year ago levels with the exception of turkey. Pork supplies were up 13 per cent from October 2014 and the amount of chicken in cold storage was 30 per cent larger than the same time last year. In contrast to the abovementioned meats the amount of turkey in cold storage was 9 per cent smaller than 2014.

Beef cutout values have struggled since early September in part due to these increased supplies as a result of larger import volumes but also from the larger pork and poultry supplies.

Last Week in Review

Jan Feeder Cattle*	🔴 \$164.95
Dec Live Cattle*	↔ \$130.95
Dec Corn Futures (\$/bu)*	↔ \$3.66
Lethbridge Barley (\$/bu)	↔ \$4.79
Canadian Dollar*	🟢 \$0.7521
West Cdn Auction #s	🔴 119,215 hd
AB Feeder Steers (5-600)	🔴 \$267.69
AB Feeder Steers (7-800)	🔴 \$230.83
West CDN Fed Steers	🔴 n/a
US Fed Steers*	🔴 \$124.83
CDN FI Slaughter**	🔴 52,411 hd
D1,2 Cows	🔴 \$108.42
Feeder Exports**	🔴 1,405 hd
Fed Exports**	🔴 4,075 hd
USDA Choice Cutout*	🔴 \$204.09

*US dollars

** Week ending Nov 14

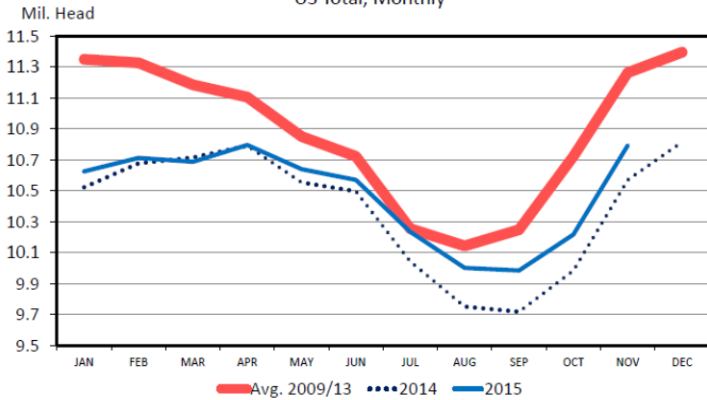


WHAT TO WATCH

The week of November 25 – December 2:

- ☑ As we head into the last week of November and move past the Thanksgiving holiday south of the border hopes are high for the traditional post-holiday rally in boxed beef prices to materialize as we move through December. A sustained rally throughout the cattle complex will depend on the ability of futures contracts to maintain some considerable gains in the coming weeks.
- ☑ This is the time of year when bred cattle start to move and early sales reports indicated a considerable variation in prices ranging from record high to disappointing levels. With larger volumes expected to be marketed in the next few weeks keep an eye on the development or lack thereof of a rally in feeder prices to sustain strong price levels for breeding stock.

CATTLE ON FEED US Total, Monthly



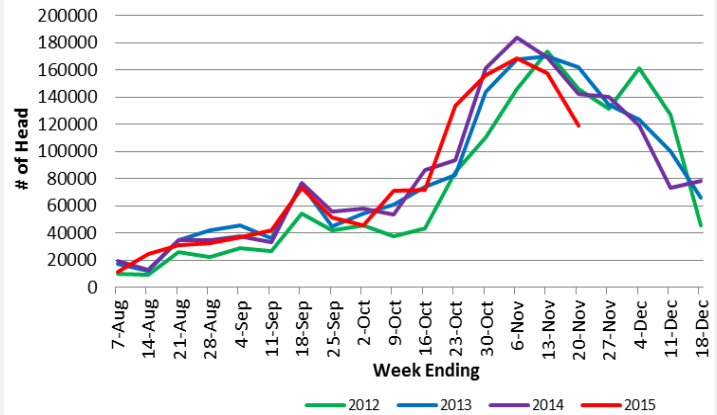
Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-10
11/20/15

Last Friday (November 20) the USDA released the November 1 Cattle on Feed report which indicated that on feed inventories south of the border were 2 per cent higher than November 2014. This is the eighth consecutive month that on feed inventories have been larger than year ago levels. Cattle marketings during the month of October were down 3 per cent and placements were 4 per cent lower. The report came in line with pre-report expectations and was viewed as neutral in its market impact.

Feeder Cattle Marketings

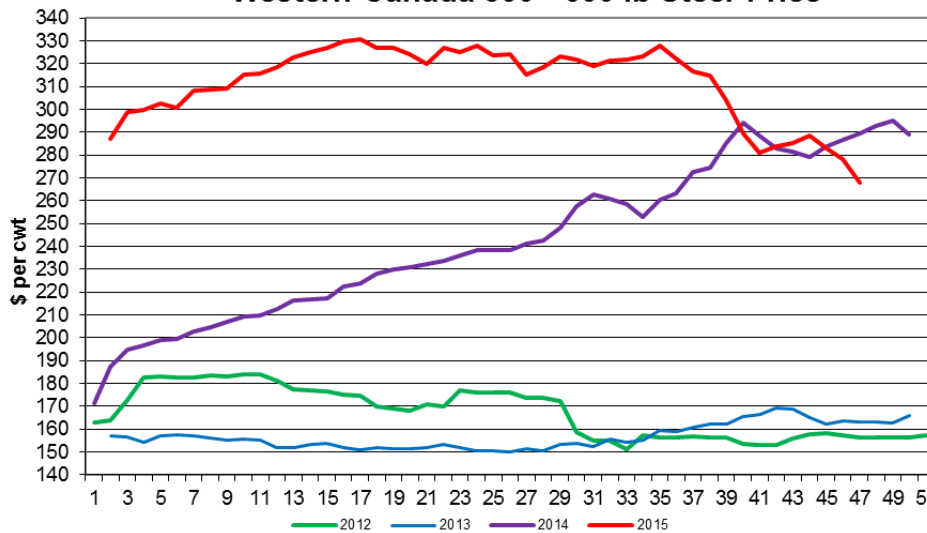
- Western Canada -



Data source: Canfax

The number of feeder cattle on offer dropped sharply last week to just over 119,000 head, down 24 per cent from the previous week and the second week in a row that the number of feeder cattle coming to town has declined. Volumes are running 3 per cent behind year ago levels in Alberta and 10 per cent fewer in Saskatchewan. As we close out November and move closer to the Christmas slow down the number of calves on offer will begin their traditional decline.

Western Canada 500 - 600 lb Steer Price



Data Source: Canfax

The Western Canadian feeder cattle market continues to feel the pressure of the volatility plaguing the entire North American cattle complex. Average prices fell \$5 to \$15 per cwt last week. Prices are now as much as \$20 per cwt below year ago levels.