



Industry Partners Announce the Completion of Wholesale Beef Reporting Feasibility Assessment

March 14, 2023 - Alberta Beef Producers (ABP), Alberta Cattle Feeders Association (ACFA), and the Canadian Cattle Association (CCA) are pleased to announce the completion of a feasibility assessment of wholesale beef price reporting as Part B of the Alberta Beef Competitiveness Study.

The report was prepared for ABP by Lee Schulz, an associate professor in the Department of Economics at Iowa State University; and Ted Schroeder, a distinguished professor in the Department of Economics at Kansas State University.

The assessment considers the history, value, and options for Canadian boxed beef reporting. It recommended expansion of current reporting criteria to be more comprehensive and suggests that a mandatory reporting system be considered.

"The proposed changes by Schulz and Schroeder for boxed beef reporting address changes in the market that have occurred since 2016 and many of the concerns raised by industry players," said Brenna Grant, Executive Director, Canfax and Canfax Research Services. "The broader criteria would be more representative of trade."

"Producers invest significant dollars into Canada Beef, through the national check-off, each year," said Janice Tranberg, CEO, ACFA. "They know that the boxed beef price drives value throughout the supply chain. Therefore, the ability for Canada Beef to use this information in their marketing efforts is critical for both packers and producers, particularly in a weak basis environment."

In addition to the relative U.S. price, the relationship of boxed beef price to fed cattle prices provides an indication of leverage as it shifts up and down the supply chain, and validates fed cattle prices when volumes are thin.

A voluntary Canadian boxed beef report started in May 2003, following BSE, in recognition of the need for domestic price discovery. This boxed beef report was discontinued in March 2020, with processors citing confidentiality concerns and COVID-19-related disruptions.

"Confidentiality is always a concern and therefore robust participation in any price report is necessary," said Grant. "However, there are options in how data is presented with AAA/AA cutout and primal values being the main point of a boxed beef report."

The report is accompanied by a literature review on price discovery and beef industry margins, created by Lyndsay Smith of Prime Analytics.

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