



2011 Cattle on Feed Demographic Survey

Canfax - ALMA Final Report

Project No. 2011S002S

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Acknowledgements

Canfax would like to thank the dedicated partners that were involved in this project. The Alberta Livestock and Meat Agency (ALMA) were integral in making this Feedlot Census and Benchmarking Study a reality. The assistance of the agency to provide funding to set the framework for this benchmarking study ensures this project creates information for the industry today, as well into the future. Assistance and input from ALMA staff also aided the project considerably. Further acknowledgement will be given through the posting of the report on our website, as well as in our annual update in the CCA annual report.

Debbie McMillin's knowledge of the Cattle on Feed program, as well as her assistance in the data collection portion of the project was a great asset to the project. ICB Solutions provided database programming support which was critical to the overall success of the project.

Livestock identification Services also provided valuable assistance to this project given their background in the cattle industry. I would also like to thank the feeding industry and its stakeholders for their contribution to the project and/or their participation in the project by sharing their information to ensure the industry moves forward by working together.

Abstract

The Canadian beef industry has undergone significant change and restructuring over the last decade. Ten years ago cattle prices were record high, but the industry has since faced drought, BSE, rising grain prices, a strong Canadian dollar as well as a variety of other regulatory changes such as Country of Origin Labeling in the US. Consolidation has occurred at the cow-calf, feedlot and packing sectors as the Canadian cattle herd has shrunk dramatically over the last 6 years. This Feedlot Census and Benchmarking study focuses on the feedlot sector in Alberta and Saskatchewan, to improve the data availability regarding the size and concentration of the industry, as well as to benchmark the industry in terms of idle capacity, feedlots shifting between finishing and backgrounding or exiting the industry. Other benchmarks regarding the health and efficiency of the feedlot sector were also created in regards to feedlot utilization, and seasonality (by size category). Part of the strategy of this project is to develop the methodology and baseline of these benchmarks, and further value can be gained as these benchmarks are updated and measured annually to better measure the status of the industry going forward.

Excess capacity in the feedlot sector has resulted in recent consolidation through leasing or purchasing of existing feedlots versus feedlots expanding or building new feedlots. A significant amount of work was done in this project in order to develop accurate feedlot demographics to account for the leasing and acquisitions, as well as to simplify the tracking of changes over time. In this study, the feedlot census has developed two sets of measurement for sizes and concentration. One set of data lays out the feedlot sector in terms of the distribution of feedlots by physical locations, while the second set is grouped by owner/management.

To be in the feedlot demographics, feedlots must have 1,000 head one time capacity or more, and use the majority of their bunk capacity for finishing cattle. Therefore, backgrounding lots are not included in this list. As you can see in the summary tables, there are 186 finishing feedlots in Alberta and 15 in Saskatchewan, but there are only 172 feedlot operators in Alberta and 14 in Saskatchewan.

OWNER BUNK CAPACITY		
	# of lots	Capacity as % of Total*
Alberta		
1,000-5,000	87	15%
5,000-10,000	40	17%
10,001-15,000	21	15%
15,001-20,000	11	14%
20,000 and over	13	39%
Total	172	
Saskatchewan		
1,000-5,000	5	12%
5,001-10,000	4	25%
10,001 and over	5	63%
Total	14	
Alberta & Saskatchewan		
1,000-5,000	92	15%
5,001-10,000	44	18%
10,001 and over	50	67%
Total	186	

*Percentages may not add up due to rounding

FEEDLOT BUNK CAPACITY		
	# of lots	Capacity as % of Total*
Alberta		
1,000-5,000	90	16%
5,000-10,000	45	19%
10,001-15,000	24	17%
15,001-20,000	12	13%
20,000 and over	15	36%
Total	186	
Saskatchewan		
1,000-5,000	6	14%
5,001-10,000	4	24%
10,001 and over	5	51%
Total	15	
Alberta & Saskatchewan		
1,000-5,000	96	16%
5,001-10,000	49	19%
10,001 and over	56	65%
Total	201	

*Percentages may not add up due to rounding

Benchmarks from the demographics survey are summarized below. Smaller feedlots are more likely to do some backgrounding and be more seasonal than the larger feedlots. The amount of lots that said they were seasonal, (typically go empty part of the year) came in a little lower than expected, which may mean that the smaller feedlots which tended to only finish cattle in the winter have exited the feeding business, or try to feed year round to remain competitive. The fill rate and turn rate was also interesting. As of January 1st, the 10,000 – 15,000 head feedlots were fuller than the larger feedlots, and they also reported a higher turn rate than the larger feedlots. Possibly due to the risk in the market required for the larger feedlots, or possibly related to difficulty in finding customers for custom feeding, as more larger feedlots are dependent on custom feeding.

Alberta & Saskatchewan	Feedlots reporting	Finish Only	Custom Feed	Seasonal	Jan-11 Fill Rate	Turn Rate	Feeding Numbers	Pref. Turns	Potential Production
1,000-5,000	72	51%	37%	37%	70%	1.50	267,100	1.50	400,650
5,001-10,000	36	56%	83%	17%	68%	1.82	319,700	1.82	581,854
10,001-15,000	21	71%	62%	0%	84%	2.04	291,780	2.05	598,149
15,001 & over	26	96%	81%	0%	80%	1.91	810,500	2.05	1,661,525
							1,689,080		3,242,178

Not surprisingly, there is excess capacity in the feedlot sector in Western Canada, and given these turn rates, there is at least 25% excess capacity. There is certainly a cost to the industry to have infrastructure not being used to its capacity. It could mean more consolidation or feedlots exiting the industry, as feeder numbers are going to get tighter before they get larger.

Project Overview

The cattle feeding sector has undergone considerable change over the last eight years; BSE, regulatory changes, higher and more volatile feed costs, and a par dollar with a major trading partner have put pressure on the entire beef supply chain. Pressures have caused the feedlot sector to expand, consolidate, change management, shift between backgrounding and finishing, and in some cases exit. In addition, Canadian beef cow inventories have declined 19% since 2005 reducing domestic feeder numbers and contributing to the excess capacity in the feedlot sector.

The health of the Alberta feeding industry is critical to the entire cattle industry in Western Canada. It will ultimately determine if feeder cattle stay in Canada to be finished or get exported to US feedlots. Data regarding feedlot sizes, utilization rates, efficiency and performance has been limited or unavailable.

This project had 3 phases:

1. **Expanded Demographics Survey**
 - a. To provide benchmarks of the cattle feeding industry in Alberta and Saskatchewan in terms of size, number of producers, idle capacity, utilization rates/efficiency, feedlot seasonality and industry consolidation.
2. **Database Enhancements**
 - a. To improve data management of feedlot demographic information, better track feedlot consolidation and ownership changes.
 - b. Improve ease of reporting demographic reports, groupings by size, by ownership, and location.
3. **Enhance Cattle on Feed Model**
 - a. Enhance the ability to use the model as an indicator of upcoming fed cattle supplies.
 - b. Improve the accuracy of monthly cattle on feed reports using data from the demographics survey.

This type of detailed information is not currently available. Past demographic surveys have only measured total bunk capacity in the Saskatchewan and Alberta finishing sector. This study provides a unique opportunity to see if feedlot management choices are based on capacity, and lays the foundation to track changes overtime.

Demographics Study

The January 1st 2011 Cattle on Feed Demographic Survey went out to 311 feeding operations on January 2, 2011 and was followed up with numerous phone calls to ensure a representative sample was collected. The distribution list included feedlots of all sizes, those known to be finishing fed cattle and those of unknown management (i.e. backgrounder or finisher), in order to ensure feedlots who had changed management practices from historically backgrounding to primarily finishing were captured.

Table 1 provides a summary of the responses received in each category. A total of 265 responses were received representing an 85% response rate - of which 36 were backgrounders (13 removed from the finishing list), 25 were confirmed to be empty (21 removed from the finishing list), 201 were finishing feedlots and 3 were feedlots which had reduced their capacity to below the 1,000 head threshold which is required to be included in the demographic report.

Table 1. Response Rates

Type	Response #	Capacity Reported
Backgrounders	36	122,400
Empty	25	76,650
Finishing Lots >1,000 head	201	1,689,080
Finishing Lots <1,000 head	3	2,050
Total Responses Received	265	
No Response – removed	21	59,450
New Feedlot response	38	159,100

A total of 34 lots left the finishing business either by leaving the business entirely (21) or to background (13 lots). Those who left entirely may have pulled down their facilities and they are no longer available or they are sitting idle. These idle lots tend to depreciate when empty to the point that they require significant investment for

anyone wanting to re-enter the business. Those who went to backgrounding may be using this as an exit strategy as they wind down. Backgrounding requires less investment but has the advantage of using up roughage/poorer quality feed for those who are transitioning into grain farming full time. Backgrounders tend to not have the utilization crunch that finishers do and may develop relationships with finishing lots which are advantageous to both parties as they get large groups of calves healed up on feed, making them more desirable for large finishers.

A total of 21 feedlots (representing 59,450 head of bunk capacity) were removed from the survey results compared to previous reports and 38 new feedlots were added that had not been included in the 2010 survey, representing 159,100 head bunk capacity.

After numerous follow-ups, late reports tended to be backgrounders or seasonal operations as they were unsure if they were supposed to respond. This provides a high confidence that most full time finishing feedlots responded to the survey.

Summary of Demographics

The Canfax feedlot demographic report consists of finishing feedlots in Alberta and Saskatchewan that have a one-time bunk capacity of 1,000 head or greater. A total of 201 feedlots meet these criteria in 2011 down, 5% from last year. In January 2011 the total bunk capacity in the two provinces was 1,689,080 head, just 0.5% smaller than last year. Most of the change was due to feedlot closures or feedlots no longer using all capacity to finish cattle and are backgrounding cattle instead. Alberta saw a 2.4% increase, or 36,230 head more capacity from last year, as feedlots which were sitting idle are now being leased. Saskatchewan saw a capacity decrease 26% or 43,100 head with less feedlots finishing or because some feedlots had pens under water. Looking at the break down of bunk capacity in Alberta and Saskatchewan in feedlots with 1,000-5,000 head capacity, there are 96 lots that represent 16% of the total capacity compared to last year when there were 125 feedlots with 20% of total capacity. In the 5,001-10,000 head capacity range there are 49 feedlots with 19% of the total capacity, when last year there were 42 feedlots representing 19%. For 10,001 head and over, there were 56 feedlots representing 65% of total capacity compared to last year when there were 43 feedlots representing 61% of total capacity.

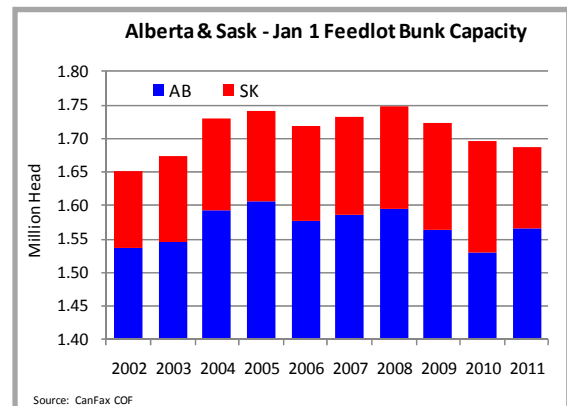
	# of lots	Capacity as % of Total*
Alberta		
1,000-5,000	90	16%
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20,000 and over	15	36%
Saskatchewan		
1,000-5,000	6	14%
5,001-10,000	4	24%
10,001 and over	5	63%
Alberta & Saskatchewan		
1,000-5,000	96	16%
5,001-10,000	49	19%
10,001 and over	56	65%

*Percentages may not add up due to rounding

Historic Analysis

Feedlot capacity in the two provinces has been reported since 2000. The 2011 capacity is down 3.5% from the peak in 2008 of 1,747,750 head and is only 2.2% above the 2002 capacity of 1,651,400 head.

The growth and contraction in the two provinces have been distinctly different. In Alberta, capacity increased 5% between 2002 and 2005 peaking at 1,605,450 head. Capacity has varied since then with growth in 2007 and 2008 before declining in 2009 and 2010. Alberta's capacity as a percentage of the total was 93% in 2011 steady with 2002. Saskatchewan capacity increased 44% from 115,100 head in 2002 to a peak of 166,300 head in 2010 before declining 27% in 2011 as water has had a significant impact on a number of feedlots and capacities.



Enhanced Survey

The demographic survey was expanded this year to look at not only feedlot numbers and bunk capacity but also the number of operators and management attributes – See Appendix I for complete survey.

Ownership Consolidation

Historically discussions about consolidation in the feedlot sector have been focused on the loss of smaller lots and the building of new, larger infrastructure. The demographics survey was able to capture these changes in infrastructure. However, one of the trends in recent years has been the leasing of smaller and medium sized lots. The enhanced demographics survey captured not only changes in feedlot capacity but also ownership and leasing arrangements which provides a clearer picture of the consolidation occurring within the industry. Therefore, the information presented in Table 2 by feedlot is presented again in Table 3 but this time shows capacity by owner/manager.

When looking at individual operators and total operating capacity (versus individual feedlot capacity) we see 172 operators in Alberta operating 185 feedlots; and 14 operators in Saskatchewan managing 15 feedlots. This implies 14 feedlots are being leased or are owned by someone operating multiple lots. Eleven operators own/manage two feedlots, while four operators own/manage three feedlots.

In Alberta, the proportion of owners managing more than 20,000 head increases to 39% of total capacity compared to only 36% of feedlots having more than 20,000 head.

When looking at both provinces 67% of the total capacity is managed by owners with more than 10,000 head versus 65% of feedlots having 10,000 head or more. Detailed tables of the Demographic Survey broken down by ownership and by feedlot are available in Appendix II.

A historical look at consolidation shows that the number of feedlot operators with bunk capacity over 1,000 head in Alberta over the last 20 years has declined 25% from 229 operators in 1991 to 172 operators in 2011. At the same time the proportion of total capacity represented by feedlots with over 10,000 head has increased from 31% in 1991 to 68% in 2011.

Survey Questions

Of the 201 feedlots in Alberta and Saskatchewan, 77% or 155 feedlots completed the enhanced survey. Of the 26 feedlots with 15,000 head or more bunk capacity, fill rates on January 1st were 80% with 25 feedlots finishing only and one feedlot both finishing and backgrounding. 5 feedlots in the group did not take custom cattle while all others did. All 26 lots finished year round with respondents estimating an average turn rate of 1.91 per year.

Of the 21 completed surveys with 10-15,000 head capacity, the fill rate on January 1st was 84% with 15 finishing only and 6 both finishing and backgrounding. Thirteen of the feedlots take custom cattle while 8 do not. All 21 of the feedlots finish year round with an average turn rate of 2.04 per year.

	# of lots	Capacity as % of Total*
Alberta		
1,000-5,000	87	15%
5,000-10,000	40	17%
10,001-15,000	21	15%
15,001-20,000	11	14%
20,000 and over	13	39%
Total	172	
Saskatchewan		
1,000-5,000	5	12%
5,001-10,000	4	25%
10,001 and over	5	63%
Total	14	
Alberta & Saskatchewan		
1,000-5,000	92	15%
5,001-10,000	44	18%
10,001 and over	50	67%
Total	186	

*Percentages may not add up due to rounding

Of the 36 completed surveys with 5-10,000 head capacity the fill rate on January 1st was 68% with 20 finishing only, 16 both finishing and backgrounding. Thirty of the feedlots take custom cattle while six do not. Six of the feedlots operate seasonally while 30 finish year round with a total average turn rate of 1.82 per year.

Of the 72 respondents with 1-5,000 head capacity, the fill rate on January 1st was 70% with 37 finishing only, 35 both finishing and backgrounding. Twenty-five of the feedlots take custom cattle while 42 do not (of 67 reporting). Twenty-two of the feedlots operate seasonally while 38 finish year round (of 60 reporting) with a total average turn rate of 1.5 per year. These smaller feedlots had a lower percentage of seasonal operators than expected at 37% and a higher turn rate at 1.5 turns versus the previously assumed one turn per year. This indicates that these smaller finishing lots potentially contribute a higher proportion of total production than previously thought at approximately 12.4% of potential production (400,650 head out of 3.24 million).

Table 4. Enhanced Survey Results & Production Potential

Alberta & Saskatchewan	Feedlots reporting	Finish Only	Custom Feed	Seasonal	Jan-11 Fill Rate	Turn Rate	Feeding Numbers	Pref. Turns	Potential Production
1,000-5,000	72	51%	37%	37%	70%	1.50	267,100	1.50	400,650
5,001-10,000	36	56%	83%	17%	68%	1.82	319,700	1.82	581,854
10,001-15,000	21	71%	62%	0%	84%	2.04	291,780	2.05	598,149
15,001 & over	26	96%	81%	0%	80%	1.91	810,500	2.05	1,661,525
							1,689,080		3,242,178

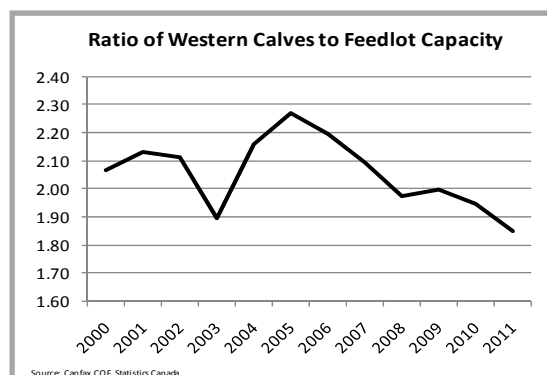
Overall seasonal production is a relatively small proportion of the industry with all feedlots groups reporting over one turn per year on average.

Excess Capacity

Within each group, individual feedlot fill rates on January 1st varied significantly as water in some areas affected feedlots ability to place cattle. The lowest fill rate with the 5,001-10,000 head group at 68% while the largest was the 10,001-15,000 head group at 84%.

If all feedlots operated at an industry turn rate for their size, a total of 3.24 million head could be produced as compared to 2.4 million head finished annually in 2010. **This implies only 74% of feedlot productive capacity is currently being used.** Conversely 26% is idle or not efficiently being used at some point throughout the year, either by seasonal operators or reduced fill rates caused by shrinking cattle numbers which decrease efficiency and feedlot profitability. Maintaining a high rate is critical for feedlots as they spread their overhead costs over more cattle. A 10,000 head feedlot with \$1.5 million in overhead may have a turn rate of 1.82 with average overhead costs of \$82 per animal but with a turn rate of 2.04 the average overhead costs is \$73.50 per animal resulting in \$8.50 per animal going into one's pocket just from managing turn rate.

Another way to look at excess capacity is the supply of calves in western Canada on January 1st compared to available bunk space. This ratio averaged 2.06 over the last decade, peaking in 2005 at 2.20. The ratio of calves



available to feedlot capacity was high from 2004 to 2006 due to the inability to export cattle to the US. The ratio reached a new low of 1.85 in 2011, even lower than 2003. The previous low of 1.90 in 2003 was probably due to large exports in 2002 in response to drought conditions.

The downward trend in this ratio is concerning to feedlot operators and packers. Feedlots greater than 5,000 head aim to turn cattle anywhere from 1.82 to 2.04 times per year. Given western calf numbers on January 1st, there are not enough cattle for the current feedlot capacity which will pressure further consolidation and exiting in the coming years. This highlights the concern of the shrinking cow herd and the need to keep feeder cattle in western Canada. Feeder cattle exports are down 64% year to date as western Canada has a cost of gain advantage since barley prices have not increased as much as corn over the last year.

Database Developments

This project allowed for the development of a database module to incorporate all feedlots, and their specific survey responses. Details of location, size, and operating parameters from survey responses are included. The database also allows for updates in regards to changes in capacity, as well as tracking the history of the feedlot. Overtime as ownership, and/or name changes occur at these feedlots, it can be difficult to determine if it is a new lot, or an existing lot, and some of these features will make it easier to document and track history. In addition, the database allows for the easy integration of new data regarding consolidation if a feedlot is bought or leased by another operator. The new function will ensure there is no double counting of feedlots, or that bunk capacity is being missed.

The biggest asset of a database is the simplicity of summarizing and reviewing data. A variety of summary reports such as the demographic breakdown, by physical feedlot, location or ownership can be created, as well summaries of the other survey questions regarding percent fill, utilization rates, etc. This process required a double entry of the data to compare the summaries from excel workbooks to those of the database. Once the different summaries were matched, testing was complete for the database.

The new database also allows for direct coordination of the demographic information with the monthly cattle on feed reports. Monthly cattle on feed calculations are based on total bunk capacity, and idle capacity. By having the demographics and monthly report calculated in the same database, it will reduce any chance of data entry errors, and ensures that if feedlot details change, it will be updated for both reports.

As part of the database, a “flag” system was developed that helps to catch any data entry or reporting errors. If numbers do not add up, or if inventory exceeds capacity, or is negative, or do not match month to month, the system will notify the data enterer, and the issue will need to be dealt with. This further aids in review time, and ensures more accurate data.

The database summary reports are shown in **Appendix III**.

Monthly Cattle on Feed Reporting

The Canfax monthly Cattle on Feed reporting and modeling is very dependent on accurate demographics information as reported numbers need to be adjusted accurately to reflect the entire industry. The basic demographics are the size of the sector, but there were many other aspects of this benchmarking study that are valuable in the monthly cattle on feed reports.

There are two parts to the adjustment factor. One is knowing the applicable bunk capacity for Saskatchewan and Alberta, the second part is to accurately account for the idle bunk capacity, such as pens not being used, or feedlots that have a portion of their bunk capacity for backgrounding animals. From the additional details gathered in this demographics report, it was estimated that there is likely 15% of the total bunk capacity that would be considered idle from finishing cattle. This is higher than the traditional estimate of idle bunk capacity, and using this new idle capacity adjustment looks promising in improving the accuracy of the monthly cattle on feed reports in the future.

On this year's demographic survey, more emphasis was put on collecting an accurate January 1st inventory for each feedlot. The monthly cattle on feed report is a rolling inventory carried over time. A review of the reported inventory to actual January 1st inventories will act as a guide if any updates will be needed moving forward, and could be used each year to adjust inventories accordingly. Initial review of the data does indicate inventories may be higher than reported. Once responses are analyzed for the January 1st 2012 report, inventories may be revised. This will help keep inventories in line year over year, as the last update made to the cattle on feed report was back in 2004.

Projecting Upcoming Supplies

Considerable work was dedicated to the projected marketing model. Details of the monthly placements of steers and heifers by weight category were used to project a specific expected fed marketing number per month for the upcoming three months. A variety of scenarios of animal performance, seasonal weight breakdowns, estimating carryover and pulled ahead numbers were used to test the model. Through all the scenarios, although we could get the average marketings to correlate very highly to the actual marketings, there was an extreme amount of variation from month to month. There was very little predictability to the time of year of these variations, or much success in dealing with them when they occurred. At this time there is no projected marketing model publicly completed. But there are portions that are available to informally estimate upcoming marketings. Canfax will continue to look at other methods, including possibly indexing current year placements to historical to estimate changes in marketings. The results may also change once a standard adjustment factor is applied in the monthly cattle on feed reports, which may aid in greater accuracy and consistency of the model moving forward.

Conclusions and Implications for the Alberta Livestock Industry

All industries depend on a healthy supply chain. In the cattle industry, the cow-calf sector has been shrinking as poor profitability has led to herd liquidation. We have also seen consolidation in the packing industry, as Western Canadian slaughter is dominated by two large scale packers. The feedlot industry is critical to the beef industry supply chain and is key to ensuring the cattle industry remains competitive. This project focuses on the finishing industry in Alberta and Saskatchewan, and sets the framework to measure the health of the industry, as data in this area is quite limited. As cattle numbers have shrunk, how have the feedlots adjusted, and how much consolidation has occurred? This study not only measures the number of feedlots, and the bunk capacity, but it also provides insight into the amount of consolidation in the industry, and how feedlots adjust to the lower numbers. Feedlot operators may continue to operate, but feed fewer animals, therefore having a lower turnover rate of their feedlot. Feedlots may exit the industry, or they may incorporate backgrounding into their feeding operation. This study sets the framework to track these indicators over time, as well as give a measure of excess capacity in the industry.

These feedlot demographics and benchmarks can play an important role in measuring the impact of change on the industry in terms of declining (or growing) inventories, possible policy changes, or other major shifts or transformations in the industry. In the current trend of declining cattle numbers, the discussions and concerns regarding “lost infrastructure” are becoming more common. Without any actual measures of the industry size and utilization levels, the impact or longer term repercussions of changes may not be known or seen until after the fact. The benchmarks in this study may provide some ability to estimate future impacts regarding potential changes in the industry.

The Canadian feedlot and cattle processing sectors are highly concentrated in Alberta. The cattle on feed report is important to understanding inventories and expected supplies for both the feedlots abilities to make marketing plans, as well as for processors to manage their plants. Greater accuracy for this type of information is for the benefit of the entire industry.

This project provides some new and more detailed information about the Saskatchewan and Alberta feeding sector. Benchmarks provide value in two ways. One is through comparison with peers across regions and across different sizes, and it allows an individual feedlot to compare itself to the industry averages. The second part of any good benchmarking program is to compare the industry over time. This expanded survey allows consistency and continuity in comparing to previous surveys that started in 1999 with the initiation of the Cattle on Feed program in Alberta and Saskatchewan, but also establishes new benchmarks putting the system in place for future data collection on this expanded information. A significant amount of value of this project will only be revealed over time, as we compare and measure the industry as it changes from year to year.

Appendix I:



2011 Cattle on Feed Demographics Survey

Canfax has been publishing the Alberta and Saskatchewan Cattle on Feed and Demographics report for over 11 years. To account for the significant changes and consolidation in the feedlot industry, an update of the feedlot demographics information is required to ensure the accuracy and the long-term reliability of the Cattle on Feed report.

The collection and submission of cattle on feed data is voluntary, but in order for information provided in the monthly Cattle on Feed reports to be accurate and valuable to the industry, it is important that the feedlot demographic information compiled from this survey is comprehensive. This year's survey has been expanded to create even more value to the industry. Information on idle bunk capacity, leasing practices, seasonality, and utilization levels of feedlot operations will be extremely valuable in **measuring the performance, efficiency and health of the overall feedlot industry today, and over time.** This information will also assist with accurately measuring industry placements, marketings and disappearances throughout the rest of the year for the Cattle on Feed Report. Individual demographic information remains strictly confidential.

Canfax would like to encourage ALL FEEDLOTS to submit their annual demographics report **and to consider participating in the monthly cattle on feed report.** These reports are made available to the public on the Canfax website and provide valuable indications of future feed supplies. Even if your feedlot is empty, Canfax would still like to receive a report or phone call confirming your current bunk capacity.

Participating in the cattle on feed report is simple. Canfax sends a form each month to collect your past month's placements, shipments and disappearance. If you have a software package that you use to manage on feed numbers and are able to generate a form, Canfax will gladly accept data in this format as well. The collection of your monthly cattle on feed data is kept strictly confidential.

"We encourage all feedlots to participate in the annual Demographics and Cattle on Feed reports which provide valuable market information and new measures of industry performance and health." ~ Bryan Walton CEO, Alberta Cattle Feeders Association

If you have any questions or concerns, please call the office at 1-877-275-5258.

Brian Perillat
Canfax Manager



Canada's source
for cattle market
information.

2011 Cattle on Feed Demographics Survey

Feedlot Name: _____

Contact Name: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

1A) Please provide your one time bunk capacity for 2011 _____

Note: If you operate more than one feedlot please combine all bunk capacities.

1B) If operating multiple feedlots please list them here _____

This ensures Canfax is not double counting bunk capacities.

2) January 1st Cattle on Feed Inventory _____

This actual number from all feedlots will provide an anchor for the rest of the year, improving the accuracy of the report.

3) If currently empty, the probability you will place cattle in 2011: <5% 50% 100%

4) Does your feedlot: Primarily Background: Primarily Finish: Both:

5) Do you Custom Feed Cattle in your Feedlot: Yes No

6) Seasonality: Is your lot typically empty for part of the year: Yes No

7) Number of Turns in a typical Year: 1 1.5 2 2.5

Please fax or email this form by January 15, 2011

Brenna Grant

Cattle on Feed Demographics Coordinator

Email: grantb@canfax.ca

Phone: 1-403-275-5110

PLEASE FAX YOUR FORM TO: 1-877-275-5271

Appendix II:

Table 2 provides a revised 2010 demographics report which only includes the feedlots which responded and confirmed their bunk capacities in 2011. The 2011 demographic survey was analyzed in two ways; the first by ownership, with a single bunk capacity for all feedlots being managed by one owner, and second by physical feedlot locations regardless of ownership, based on size. However, this method of comparing benchmarks is difficult due to the number of lease agreements which occurred in 2010. Therefore, any comparison made to either the owner or feedlot numbers for 2011 would be inaccurate. In the future the benchmarks created here for ownership and feedlots can be used for comparison and to determine industry trends of consolidation.

2011 Cattle on Feed Demographic Survey results for Responding Feedlots

2010 Benchmark Alberta and Saskatchewan Feedlot Demographics Feedlot Capacity by Region				2011 OWNERS Alberta and Saskatchewan Feedlot Demographics Feedlot Capacity by Region				2011 FEEDLOTS Alberta and Saskatchewan Feedlot Demographics Feedlot Capacity by Region			
Region	# of Lots	Capacity		Region	# of Lots	Capacity		Region	# of Lots	Capacity	
Alberta	1	10	39,200	Alberta	1	9	45,400	Alberta	1	10	45,400
	2	23	224,600		2	21	233,400		2	23	228,400
	3	64	587,800		3	55	561,380		3	60	532,380
	4	14	98,000		4	14	84,900		4	14	84,900
	5	27	373,600		5	25	364,700		5	28	364,700
	6	21	124,700		6	19	110,500		6	21	133,500
	7	12	48,700		7	12	48,700		7	12	48,700
	8	18	127,200		8	17	116,900		8	18	127,900
Total		189	1,623,800	Total		172	1,565,880	Total		186	1,565,880
Saskatchewan	9	9	86,000	Saskatchewan	9	9	80,400	Saskatchewan	9	9	78,000
	10	6	48,100		10	5	42,800		10	6	45,200
Total		15	134,100	Total		14	123,200	Total		15	123,200
Alberta & Saskatchewan		204	1,757,900	Alberta & Saskatchewan		186	1,689,080	Alberta & Saskatchewan		201	1,689,080

Feedlot Bunk Capacity				Feedlot Bunk Capacity				Feedlot Bunk Capacity			
Region	# of Lots	Capacity	Capacity as % of Total	Region	# of Lots	Capacity	Capacity as % of Total	Region	# of Lots	Capacity	Capacity as % of Total
Alberta	91	245,800	15%	Alberta	87	238,900	15%	Alberta	90	249,900	16%
1,000-5,000	47	297,900	18%	5,001-10,000	40	269,200	17%	5,001-10,000	45	290,700	19%
5,001-10,000	24	277,000	17%	10,001-15,000	21	239,280	15%	10,001-15,000	24	261,780	17%
10,001-15,000	13	209,000	13%	15,001-20,000	11	215,000	14%	15,001-20,000	12	197,000	13%
15,001-20,000	14	594,100	37%	20,000 and over	13	603,500	39%	20,000 and over	15	566,500	36%
20,000 and over	189	1,623,800	1.00		172	1,565,880			186	1,565,880	
Saskatchewan	6	19,100	14%	Saskatchewan	5	14,800	12%	Saskatchewan	6	17,200	14%
1,000-5,000	4	29,000	22%	5,001-10,000	4	31,400	25%	5,001-10,000	4	29,000	24%
5,001-10,000	5	86,000	64%	10,000 and over	5	77,000	63%	10,000 and over	5	77,000	63%
10,000 and over	15	134,100			14	123,200			15	123,200	
Alberta & Saskatchewan	97	264,900	15%	Alberta & Saskatchewan	92	253,700	15%	Alberta & Saskatchewan	96	267,100	16%
1,000-5,000	51	326,900	19%	5,001-10,000	44	300,600	18%	5,001-10,000	49	319,700	19%
5,001-10,000	56	1,166,100	66%	10,000 and over	50	1,134,780	67%	10,000 and over	56	1,102,280	65%
10,000 and over	204	1,757,900			186	1,689,080			201	1,689,080	