



Canfax

Canada's source for cattle market information
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Western Canadian Feeder and Calf Price Indices

Throughout the year, feeder volumes, quality, and weights have an impact on price ranges and averages for the different categories. Accurate and timely price reporting is needed for good market information. Understanding the market information and how it applies to your operation is critical in making the information valuable to each user. In the US market, the CME feeder index reflects steers within major producing states meeting prescribed muscling frame scores, with no predominately dairy, exotic or Brahma characteristics; and non-US origin cattle are excluded. This allows producers to evaluate feeder prices in their local area, with a basis off the CME feeder index based on location and seasonality.

Canfax collects detailed sales information from some auction markets across Western Canada. Details include a weighted average price and weight of calves and the actual sales volume of steers and heifers selling in each weight category. This information combined with electronic and internet sales provide the detail to calculate the Western Canadian feeder cattle index. The feeder index is calculated using actual weighted average sale prices of feeder steers that sold in the 700-899 weight range. The index will consist of the sales of steers sold over the previous seven calendar days. Steers sold on a deferred delivery basis are excluded from the index calculation.

This index is similar to the CME feeder index in the US. The CME feeder index is based on sales over the previous seven calendar days in the states of Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming. The CME index is also based only on steer calves, but a significant difference is that their index is based on steers in the 700-899 pound weight range.

In addition to the feeder index, Canfax publishes a Western Canadian Calf index based on the same methodology for 500-699 lb steers. This is a unique price reporting series, as the US does not publish an index for calves of this size. This series provides information on how the fall run progresses.

These indices are updated each business day, and reported in the Canfax daily snapshot and weekly report (see page 3). This Western Canadian feeder and calf index does not differentiate by provincial boundaries, as some markets in Saskatchewan are closer to the main feeding areas than markets in the far north of Alberta. Detailed sales information from Manitoba, Saskatchewan, Alberta, and BC are included. This allows producers to evaluate a basis between their local market and these indices. The index is not published every week, as insufficient volumes are available in the summer.