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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Weekly Cattle Market Update

For the Week Ending February 10, 2017

All prices are quoted in Canadian dollars per hundredweight (\$/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices (\$/cwt)								
Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Feb. 10/2017	Average	\$218.38	\$218.30	\$200.00	\$184.20	\$168.50	\$160.00	\$158.00
Feb. 10/2017	Range	209-233	207-231	191-216	174-195	162-177	154-167	151-162
week/week	Change	-\$3.62	\$0.80	-\$2.50	\$0.50	-\$0.63	-\$3.67	-\$1.13
Feb. 3/2017	Average	\$222.00	\$217.50	\$202.50	\$183.70	\$169.13	\$163.67	\$159.13
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
Feb. 10/2017	Average	\$188.88	\$177.50	\$167.33	\$158.10	\$151.60	\$146.33	
Feb. 10/2017	Range	178-198	171-188	160-176	151-165	146-159	141-152	
week/week	Change	\$2.55	-\$3.75	\$0.03	\$0.10	\$1.22	\$2.23	
Feb. 3/2017	Average	\$186.33	\$181.25	\$167.30	\$158.00	\$150.38	\$144.10	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

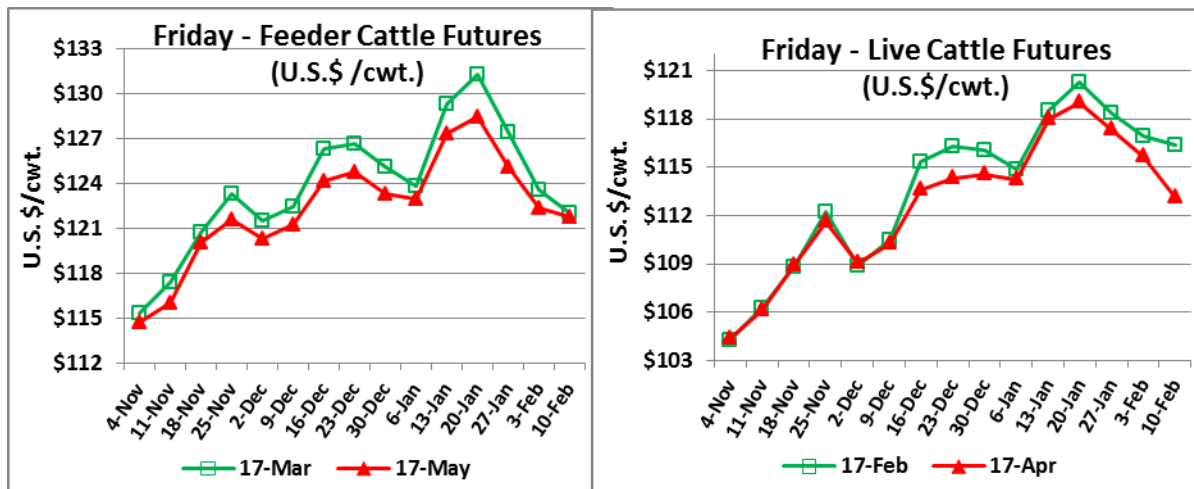
Canfax reported that a total of 11,178 head of cattle were sold in Saskatchewan this week, down from 12,900 head sold the previous week, and down from 15,855 head sold the same week a year ago.

Saskatchewan feeder steer prices were reported in all weight categories over the week with feeder steer prices mixed but primarily lower. Feeder steer prices ranged between \$3.67 per cwt lower and \$0.80 per cwt higher. The 800-900 lb. feeder steer weight category had the largest loss; while the 400-500 lb. weight category had the biggest gain increasing \$0.80 per cwt.

Saskatchewan feeder heifer prices were reported in all weight categories over the week with prices edging primarily higher. Feeder heifer prices over the week ranged between \$3.75 per cwt lower and \$2.55 per cwt higher from the previous week. The biggest price gain over the week was in the 300-400 lb. feeder heifer weight category; while the only loss was in the 400-500 lb. weight category.

The Saskatchewan 750 lb. feeder steer basis compared to the February 9, 2017, U.S. feeder cattle index at US\$128.17 per cwt was calculated at (+\$0.78) per cwt (\$168.50 - US\$128.17/0.7642), a basis widening (negative) of \$1.35 per cwt from (+\$2.13) per cwt; compared to the previous week. Saskatchewan prices were at a small premium to the U.S. feeder cattle index price.

Feeder cattle daily futures prices were mixed over the week with losses on Friday to end the week lower, week-over-week. The March-to-May 2017 feeder cattle futures contracts declined between US\$0.575 per cwt and US\$1.500 per cwt; with the March contract declining US\$1.500 per cwt to settle Friday US\$122.075 per cwt. The May 2017 contract declined only US\$0.575 per cwt to settle Friday at US\$121.800 per cwt.



Source: CME, LMIC

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Live daily cattle futures prices were also mixed over the week with losses on Friday to push prices lower, week-over-week. The nearby February contract only declined US\$0.500 per cwt to settle Friday at US\$116.400 per cwt; while the April contract declined US\$2.475 per cwt to settle Friday at US\$113.150 per cwt.

Iowa cash corn prices settled Friday at US\$3.30 per bushel, up 4.0 cents from the previous Friday. Daily corn futures were mixed over the week with good gains on Friday to end the week higher, week-over-week. The March corn futures contract increased 9.3 cents to settle Friday at US\$3.74 ½ per bushel, while the May 2017 corn contract increased 9.2 cents per bushel to settle Friday at US\$3.82 per bushel.

Fed and Non-fed Cattle

	Feb. 10, 2017	Feb. 3, 2017	Week over Week
<u>Steers (Alberta)</u>			
Live	\$156.67	\$156.17	+\$0.50
Rail	\$259.75	\$258.50-\$262.50	+\$1.25 to -\$2.75
<u>Cows (Alberta)</u>			
D1,2 Live	\$93.25	\$93.14	+\$0.11
D3 Live	\$82.50	\$82.00	+\$0.50
Rail	\$180-185	\$180-185	N/C

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were steady over the week edging higher. The price of D1,2 slaughter cows increased \$0.11 per cwt to average \$93.25 per cwt, while the price of D3 slaughter cows increased \$0.50 per cwt to average \$82.50 per cwt.

Fed cattle prices for Alberta fed steers were reported to average \$156.67 per cwt over the week, up \$0.50 per cwt from \$156.17 per cwt the previous week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US\$119.75 per cwt, up US\$0.99 per cwt or 0.8 per cent from US\$118.76 per cwt the previous week; and down 9.0 per cent from US\$131.56 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US\$190.05 per cwt, up slightly (\$0.27 per cwt) from US\$189.78 per cwt the previous week, but down 7.7 per cent from US\$205.92 per cwt the same week a year ago.

Beef production for the week was estimated at 472.0 million lb., down 3.9 per cent from 491.0 million lb. the previous week, but up 4.3 per cent from 452.5 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 574,000 head, down 3.2 per cent from 593,000 head the previous week, but up 4.9 per cent from 547,000 head the same week a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US\$189.39 per cwt over the week, down US\$3.49 per cwt or 1.8 per cent from US\$192.88 per cwt the previous week, and down 13.0 per cent from US\$217.63 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On February 9, the USDA released the February World Agricultural Supply and Demand Estimates (WASDE). The February USDA WASDE report revised the **2017** United States Red Meat and Poultry production estimates to **100.586 billion lb.**, a slight decline from the January estimates, but still a 3.1 per cent increase in meat production for 2017 compared to 2016. United States meat production numbers for 2017 were estimated to increase for pork (+4.9%), beef (+3.1%), turkey (+2.3%), and broilers (+2.1%) from 2016. Beef production estimates for 2017 in the February estimates were increased slightly from January on higher cattle placements and marketing's for the year. (Source: USDA WASDE)

USDA February World Agricultural Supply and Demand Estimates

Quarter		Million Pounds				Total Red Meat & Poultry
		Beef	Pork	Broiler	Turkey	
2014	Annual	24,252	22,843	38,550	5,756	92,171
2015	Annual	23,698	24,501	40,048	5,627	94,630
2016	Feb. Proj.	25,212	24,939	40,686	5,981	97,589
% Chg.	2015-2016	6.39%	1.79%	1.59%	6.29%	3.13%
2017	Jan. Proj.	25,955	26,205	41,575	6,120	100,640
2017	Feb. Proj.	26,000	26,170	41,525	6,120	100,586
% Chg.	Jan.-Feb.	0.17%	-0.13%	-0.12%	0.00%	-0.05%
% Chg.	2016-2017	3.13%	4.94%	2.06%	2.32%	3.07%

Source: USDA February WASDE Report, February 9, 2017

Friday Price Information

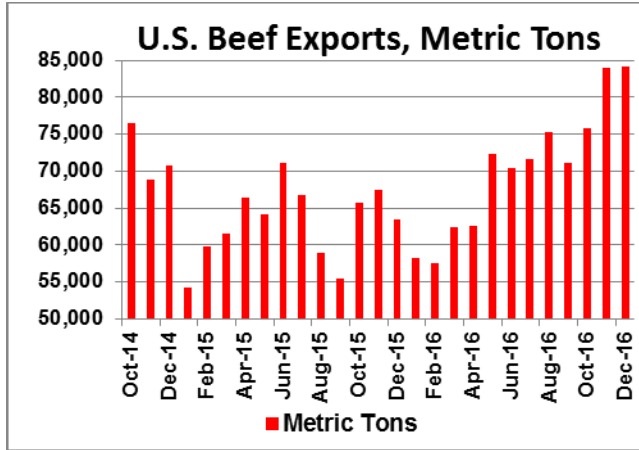
Product	This Week (Feb. 10, 2017)	Week of: (Feb. 3, 2017)	Week of: (Feb. 12, 2016)
Canadian Dollar (closing rate US\$)	.7642	.7676	.7214
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)	128.17	128.19	157.60
Seven-day Weighted Average FC Index Wt. (lb.)	789	787	752
Live Fed 5-area Steer Price (US\$ per cwt)	119.75	118.76	131.56
Feed Grains			
Barley			
Lethbridge (\$/tonne)	156.00	160.00	210.00
(\$ per bu.)	3.40	3.48	4.57
Corn			
Iowa State Average (CDN\$/tonne)*	170.00	167.20	180.62
(US\$ per bu.)	3.30	3.26	3.31
Omaha, NE (CDN\$/tonne)*	176.18	176.43	190.99
(US\$ per bu.)	3.42	3.44	3.50
Futures			
March Corn (US\$ per bu.)	3.74 ½	3.65 ¼	3.58 ½
May Corn (US\$ per bu.)	3.82	3.72 ¾	3.63 ½
February Live Cattle (US\$ per cwt)	116.400	116.900	129.950
April Live Cattle (US\$ per cwt)	113.150	115.625	129.125
March Feeder Cattle (US\$ per cwt)	122.075	123.575	150.025
May Feeder Cattle (US\$ per cwt)	121.800	122.375	148.825

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
 * conversion to CDN\$ is based on Friday's CDN\$ closing rate.

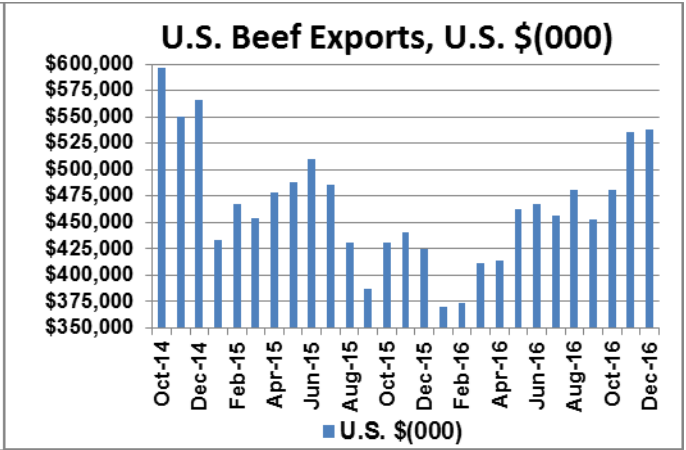
United States Beef Exports

United States exported 84,126 metric tons of beef in December 2016, up slightly from 83,997 metric tons in November 2016, but up 32.7 per cent from 63,398 metric tons in December 2015. Beef exports in December by volume were the largest over the last three years. Total U.S. beef exports for 2016 were 845,617 metric tons, up 11.7 per cent from 757,095 metric tons exported in 2015. Annual increases to Korea (+41.6%), Japan (+22.2%), Mexico (+7.8%) and Taiwan (+25.1%), made up for losses to Hong Kong (-9.7%), Canada (-7.3%), and the European Union (-11.9%).

By dollar amount U.S. beef exports in December 2016 were \$537.6 million dollars, up 0.5 per cent from November 2016, and up 26.6 per cent from \$424.6 million dollars in December 2015. Total U.S. beef exports by dollar amount for 2016 were \$5.440 billion dollars, up slightly from \$5.432 billion dollars in 2015.



Source: USDA, USMEF



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