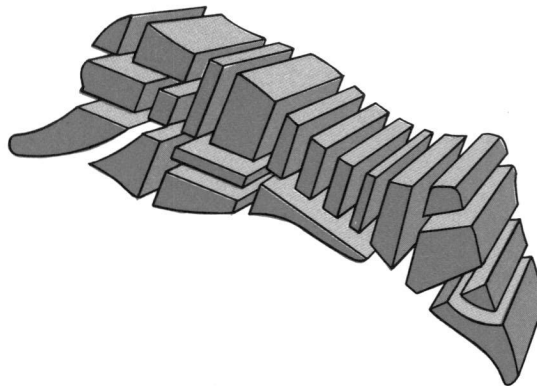




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**COMMISSION OF INQUIRY INTO THE  
MARKETING OF BEEF AND VEAL**

**ORGANIZATION AND METHOD OF  
OPERATION OF THE CANADIAN CATTLE  
AND BEEF MARKETING SYSTEM**

Research Report No. 1  
by  
David J. Clarke  
H. Bruce Huff

Ottawa  
February 1976

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# N O T E

The following research report was prepared at the request of the Commission of Inquiry into the Marketing of Beef and Veal to assist it in fulfilling its mandate. The analysis and conclusions contained in this report are the responsibility of the author(s) and do not necessarily reflect the views of the Commission.

## Foreword

This report represents a concerted effort to provide information that would improve the general understanding of the beef marketing system in Canada. It gives a thorough description of the structure of live, carcass and retail markets for beef, the conduct of participants in these markets and the methods of price establishments. As far as possible, this report describes the beef marketing system existing in the mid-1975 period.

A number of background studies were commissioned, interviews were undertaken with industry leaders and a detailed questionnaire was distributed to a large number of firms marketing beef to obtain information presented in this report.

Research studies on live cattle marketing were undertaken by Mr. Jim Dawson, Dr. Robert St. Louis and Mr. Knud Elgaard, while Dr. Jim Lowe and Mr. Cliff Retson of Agriculture Canada and Dr. V.W. Yorgason of OMAF supplied information from studies carried out by their respective agencies.

An extensive questionnaire survey of firms was carried out. Mr. David Clarke of Commission staff directed this operation and was assisted by Mr. Mark Spearin and Dr. Diedrich Dyck. Data processing was carried out by a private firm.

Personal interviews were conducted with a large number of firms. Assisting in this aspect of its work were Mr. Barry Mehr and Mr. Ralph Bennett.

Numerous industry and government people provided generously of their time in interviews and in response to requests for information. To those providing assistance, their time and interest was sincerely appreciated.

The authors appreciated the efforts of Ruth Goddard and Maria Smith in typing this report.

Ottawa,  
December, 1975

H. Bruce Huff  
Research Director

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INTRODUCTION

AND

OVERVIEW

## INTRODUCTION AND OVERVIEW

Cattle and beef marketing involves a sequential chain of events occurring from the time the animal leaves the producer's farm until its ultimate consumption at the consumer level. This report describes the type and size of major participants and their conduct in the marketing chain. It also indicates the mechanics of how live cattle and carcass prices are established and the role of major participants in this process. This description relates to the typical flow of beef through the marketing channel, but many exceptions exist to these generalizations because of the diversity of methods in beef marketing.

Producers sell slaughter cattle to meat packers through several alternative marketing methods - - terminal markets (30 percent of sales), country auctions (15 percent) and direct to packers (55 percent). The first two alternatives use the auction method of selling, while the direct sales utilizes sealed bid or private treaty methods. The major change over the past two and a half decades has been the decline in marketings at terminals, the use of the country auctions and the increase in direct to packer selling.

The report examines in detail each of the above three alternative methods of selling live cattle. For each, there is a description of the structure of the market, the functions performed, the absolute and relative size in each region, trends in growth and importance over time and by type of product. Also there is a discussion of the advantages and disadvantages to buyers, sellers and the total marketing system from using each of these alternatives. In addition, the process used by both producer and packer in establishing offer and bid prices is outlined.

Packers slaughter live animals producing carcasses and by-products. The traditional marketing procedure is to sell carcasses to wholesalers in large deficit supply areas and to retailers in the local adjacent markets. Brokers are often commissioned by the packers to act as sales agents for wholesaler transactions. Wholesalers distribute carcasses to various retailers of which retail grocers are the major participants. Other participants are the food service industry which includes hotel, restaurant and institutional outlets (HRI) and butcher shops.

The report analyzes in detail the role of each of these major groups of participants involved in marketing and pricing beef from slaughter to consumption thereby describing the structure of the marketing system and the conduct of the participants. Each group of participants is first described according to the physical activities performed, secondly its role in overall beef marketing, including degree of processing performed, thirdly its role in the price setting mechanism for beef and finally the types of ownership and barriers to entry of each group. The final chapter of the report develops in chronological sequence the major events that occur during the setting of the weekly Montreal wholesale carcass price.

An important major change in the beef marketing system verified by the research has been the reduction of processing at retail outlets. Retail grocers are receiving a greater proportion of their beef in primal and sub-primal form. This processing is being done at the packing house or wholesale level. Another related development is the introduction of a specialized group of wholesalers called purveyors catering to the growing HRI trade. This trade requires a range of specific processed products including portion control cuts and ready-to-cook meat patties. The effects of these developments on beef marketing are described in the analysis.

To analyze these groups of market participants, it was necessary to obtain detailed information of their operations. Much of this information was not readily available, so the Commission gathered information from four basic sources:

- a survey of country auctions;
- an input-output questionnaire survey of selected packers, wholesalers and retailers;
- personal interviews with major firms involved in the various sectors of cattle and beef marketing;
- Commission public hearings.

The questionnaires and personal interviews provided the bulk of the information and data required for a detailed analysis.

The response to questionnaires by the beef industry was good, due to a persistent follow-up. The quality of response varied as some of the firms did not keep records in such a manner as to readily provide the data. While firms were permitted to make estimates in lieu of actual data where the latter was costly or impossible to obtain, often they were not made for various reasons. It was the original intention that individual plant managers could supply any estimates required for their plant, but this option was generally not permitted by the firm.

Thirty-six of the largest packing plant firms responded to questionnaires. These firms reported on 57 individual plants. The total 1974 kill reported by these plants represented 88 percent of the total federally inspected plant kill for 1974. The overall quality of data was most reliable and complete for 1974 aggregate totals but declined for earlier years and more disaggregated data. For broad over-views of the packing house sector, federally inspected plant kill data was used where possible.

All known large wholesalers (excluding purveyors) were surveyed. The Commission's definition of wholesalers included packer branch houses, retail owned wholesale units including central processing plants, and independent wholesalers including cow-boners. Questionnaires were received from 27 firms, representing 37 individual plants. The quality of data received from the wholesalers was the best of the three groups as considerable time and effort was expended by the Commission to ensure as complete a sample as possible. Such information and data on wholesalers has not been previously obtained and this survey represents the most extensive coverage ever assembled of this sector of the beef industry.

The retailer survey was conducted on an urban centre basis rather than on a national basis as for the wholesaler and packer. The sample size is comparatively smaller than either that of the packers or wholesalers. All major chains, both corporate and voluntary, were canvassed in 10 urban centres: Vancouver, Edmonton, Calgary, Regina, Winnipeg, Thunder Bay, London, Toronto, Montreal and Halifax. Questionnaires were sent to companies asking them to complete a questionnaire for each city in which they operated. Information was obtained from 23 companies accounting for a total of 47 questionnaires.

Data received on all of the Commission questionnaires cover a large sample of beef movements made by all packers, wholesalers and retailers. Coverage ranges from a low of slightly more than half of the total receipts of retailers in the selected centres to an estimated 95 percent of the wholesaler receipts. Therefore, these data provide a solid basis from which to draw conclusions to describe the packer, wholesaler and retailer populations.

This report is structured into two parts, the slaughter cattle market and beef processing and marketing. The slaughter cattle market (Part A) is a study of the marketing of live cattle by type of market. Marketing via public stockyards, country auctions and direct to packer sales are compared and contrasted. Also, the price setting process for slaughter cattle is described. Part B is a study of beef processing and marketing by type of firm. The role of all major types of participants including meat packers, by-product processors, beef wholesalers, beef brokers, retail food stores, purveyors and the food service industry is described and analyzed.

## A. SLAUGHTER CATTLE MARKETING

### 1. PUBLIC STOCKYARDS

Terminal markets have been the single most important marketing arrangement for cattle and calves for several decades. More importantly, they have been the reference point for the industry in terms of information and producer protection. Their importance has declined as growth has almost virtually ceased and their relative size is substantially less than three decades ago. Nonetheless, they still account for about one third of slaughter cattle marketings and approximately one quarter of all commercial feeder cattle marketings (country auctions plus terminals).

There are nine terminal markets in Canada which operate daily and which are designated by the federal government as public stockyards. These markets operate under regulations of the Livestock and Livestock Products Act (1939) and are the only markets for which Agriculture Canada issues daily market reports.

Public stockyards are located at Montreal, Toronto, Winnipeg, Regina, Saskatoon, Prince Albert, Calgary, Edmonton and Lethbridge. Under Part 1 of the Livestock and Livestock Products Act, a stockyard is:

any area of land in operation as a public market for the purchase and sale of livestock declared by the Minister (of Agriculture) to be a stockyard under this part, with the buildings, fences, gates, chutes and weigh scales and other equipment situated thereon.

All stockyards so designated must comply with the regulations under the Act.

As in the U.S., terminal markets in Canada were established in large centres of population in conjunction with the railroads. They were located mainly at railroad terminals, hence the name terminal markets. Livestock producing regions shipped their cattle to these terminal markets via the railroad.

There have been a number of technological and market structure changes which have been detrimental to terminal markets. The early meat packing firms were the large integrated types and it was these which developed close by terminal markets. While this situation was mutually beneficial to stockyards and packing plants; these plants have become antiquated and inefficient and either have been closed or are likely to be closed in the near future. Terminals were developed to best be served by railroad transportation and may not easily be served by truck transportation, now the most common mode of local livestock movement. Moreover, they are located in busy urban centres and on highly priced and taxed land. Most terminals have lost the market for slaughter hogs to marketing boards selling by teletype auction from local assembly yards. In addition, improvements in roads and truck transportation have permitted the development of local cattle markets and new smaller



regional packing plants. The declining volumes and increased costs have precluded any investment in the improvement of facilities, further reducing the competitiveness of stockyards. Moreover, terminals have not been receptive to any progressive methods of marketing. All of these factors have left terminals in a rather precarious position.

The organization of public stockyards consists of the stockyard company which owns and operates the physical facilities, the sales agencies responsible for all buyer-seller transactions, and the livestock exchange concerned with the business practices of its member sales agencies. Government regulations require at least three or more commission firms or co-operative associations to provide selling services at the stockyard before an exchange may be established. Agriculture Canada maintains offices at each stockyard to administer the regulations of the act, and collect and report market information.

#### The Stockyard Company

Stockyard companies in Canada are privately or co-operatively owned except in Toronto. The Eastern Public Livestock Market, Montreal and Alberta Stockyards Company, Limited at Calgary and Lethbridge are owned by the Canadian Pacific Railway through a subsidiary division, Marathon Realty Company, Ltd. The Ontario Stockyards is owned by the Province of Ontario. The Union Stockyards at Winnipeg is owned by the Canadian National and Canadian Pacific Railways. The Regina Stockyards is owned by the Saskatchewan Wheat Pool Livestock Division. The Saskatoon and Edmonton Stockyards are owned by Western Stockyards Ltd. The Prince Albert Stockyards is owned by the Northern Saskatchewan Co-operative organization.

These firms are established with the permission of the Minister of Agriculture, and have the power to formulate rules and regulations as well as set fees and charges for doing business on their premises. The stockyard company provides the facilities for receiving, caring, weighing, selling and loading of livestock. Company employees are responsible for all handling and feeding of the livestock on a 24-hour, seven-day per week basis. Arrangements for these services are made by the owner of the livestock, either by himself or through the selling agency representing him. The stockyard company is required to provide weigh scales with a type register beam for operation only by a weighmaster approved by the Minister of Agriculture.

For handling and penning and for supplying other services, the stockyard company assess cattle owners yardage and fees according to a schedule which under the Act must be approved by Agriculture Canada. This schedule is clearly specified for each service and published annually by the stockyard firm. The charges vary between the nine terminals.

Basic charges include:

- yardage and service rates (costs range from \$1.60 to \$2.50/head for cattle and \$0.92 to \$2.00/head for calves);
- loading and unloading;
- feeding and bedding;
- storage;
- insurance;
- various health related services, vaccination, testing and dehorning;
- other services - tying, branding, equipping cars, inspecting decks, materials.

These charges, in addition to rental of office space and pen space to marketing agencies constitute the source of revenue for the stockyard company.

The stockyard owner cannot buy or sell livestock on his yard. The owner cannot operate as a commission firm without consent of the Minister of Agriculture. This situation occurs at the Regina Stockyards.

#### Sales Agencies Operating at Public Stockyards

Commission firms, co-operative associations and dealers perform selling functions at public stockyards. The former two types of firms operate much like a broker as they are licensed to sell on consignment or buy on order for a commission. Dealers are licensed only to buy on their own account (i.e. take title) and then re-sell on order or speculation.

Table 1 presents a summary of the number of commission firms, co-operatives and dealers operating on the public stockyards. Commission firms are responsible to the owner to ensure that the stockyard company is providing adequate care for cattle. They also provide such services as sorting of livestock and advice as to appropriate timing and conditioning of animals for sale. Commission firms cannot sell livestock consigned to them to any employee or member of its firm partnership or corporation nor can their employees.

Agencies may function as order buyers on the stockyard premises as well as private treaty negotiators elsewhere. The latter competes with the public stockyards by reducing their potential volume. These agencies are required to be members in the Exchange (where one exists) by the Act and operate only with the permission of the stockyard company. A bond, equivalent to two or three days' business, or a minimum of \$10,000 for a commission firm and \$2,000 for a dealer who are members of the exchange, must be deposited with the federally approved surety company. On the last day of each month, the agencies are required to file a statement of the total volume of daily sales of livestock with the Agriculture Canada livestock officer. Sales must not exceed the value of the bond. The officer reports any deficiencies to the stockyard company and the exchange which may result in withdrawal of trading privileges.

Sales agencies are also required to establish a government supervised "Shipper's Trust Account" with a local bank. The proceeds of all sales must be deposited within a time period specified by the exchange from which cheques to sellers are issued after all relevant fees and charges are deducted. This, plus bonding, insures cash settlement for all sales.

Commission firms may not alter the commission charges established for their public stockyard in spite of varying daily or seasonal volume. The volume of sales at a terminal for individual firms does vary considerably, presumably because of services provided, reputation, ownership, or other non-price competition. Commission fees at the different terminals for selling cattle range from \$2.45 to \$3.00/head and for calves range from \$1.65 to \$2.40/head. For buying at most terminals, fee is 0.35/cwt.

All public stockyards operate on the basis of sell slaughter cattle and calves only by auction except the Ontario stockyards which also offers feeder cattle and calves on a private treaty basis. Private treaty sales are also used for "off-truck" sales to small local packers, certain dealer transactions, and to persons desiring to sell livestock on their own behalf. Auctioneers sell exclusively for one individual commission firm and are not available to persons selling on their own account. Commission firms using auction selling may act on behalf of buyer and seller simultaneously, which is prohibited in private treaty selling.

#### The Livestock Exchange

The exchange is an organization of persons trading on a stockyard, and controls business practices through rules, regulations and by-laws. Membership is determined by the organization and penalties are imposed for infractions of rules and regulations. All rules and regulations must be approved by the Minister of Agriculture, who has final control over their applications. Exchanges do not exist at the Regina and Prince Albert public stockyards where the Saskatchewan Pool Livestock Division is the only selling agency operating.

The National Livestock Exchange is made up of members of the nine public livestock markets in Canada -- stockyard management and Exchange members. They have adopted a ten point Code of Operation which presents their philosophy of marketing and their responsibility to clients in terms of guaranteed payments, accurate weights, market information and honest business practices.

#### Volume of Marketings at Terminals

Total cattle receipts at public stockyards have shown a small upward trend in Canada between 1955 and 1974, increasing by five percent from a 1955-64 average of 1,446 thousand head to a 1965-74 average of 1,514 thousand head. Since 1965, however, there has been a general

decline. There has been a change in the proportion of feeder and slaughter cattle marketed. Again comparing these ten year periods, a sharp increase in feeder cattle sales offset the small decrease in slaughter cattle. From the 1955-64 period, average slaughter cattle receipts decreased by five percent from 1,081 to 1,027 head per year, while feeder cattle sales increased from 364 to 486 thousand head or 33 percent. As a result feeder cattle as a percentage of total cattle marketings have increased from 19 percent in 1955 to 28 percent in 1974 (Table 2). The trends in the actual numbers of cattle and calves marketed at public stockyards between 1955 and 1974 are shown in Figure 1.

While total sales at public stockyards have risen, this general pattern was not consistent in all stockyards during 1955-74 (Table 3). There was an increase in total cattle sales on the Edmonton, Prince Albert, Regina, Saskatoon and Toronto stockyards, whereas there was a decrease at Calgary, Lethbridge, Winnipeg and Montreal Stockyards. All of the five markets, which showed an increase in total receipts, had a sharp upturn in the feeder component of total cattle receipts. In fact, feeder cattle accounted for nearly all of the sharp increase in total cattle marketings in Edmonton. Slaughter cattle sales showed a moderate increase at other markets except Saskatoon, which had an actual downward trend. For those markets with a downward trend in total cattle receipts, a drop in slaughter cattle sales was the main factor at Calgary and Montreal, while feeders also declined at Lethbridge and both declined equally at Winnipeg.

There is a considerable diversity in size and type of live-stock sold at the terminal markets. Toronto is the largest market by volume (441,300) followed by Calgary (209,130), Edmonton (207,240), Winnipeg (188,500), Saskatoon (84,950), Montreal (71,570),<sup>1</sup> Prince Albert (57,130), Regina (56,860) and Lethbridge (21,000).<sup>1</sup> Calgary, Winnipeg, Toronto and Montreal are primarily slaughter cattle markets with 77, 76, 87 and 100 percent, respectively, of their 1974 receipts falling in the slaughter class (Table 3). In 1955, three quarters of the cattle receipts at Edmonton were slaughter animals while in 1974 about two thirds of the cattle sales were feeders. Lethbridge, Prince Albert and Regina received between 49 and 54 percent of their cattle as feeders in 1974. The Saskatoon stockyards reported that about 50 percent of their cattle sales were feeder animals in 1972 and 1973, however, the proportion of feeders had declined to 36 percent in 1974.

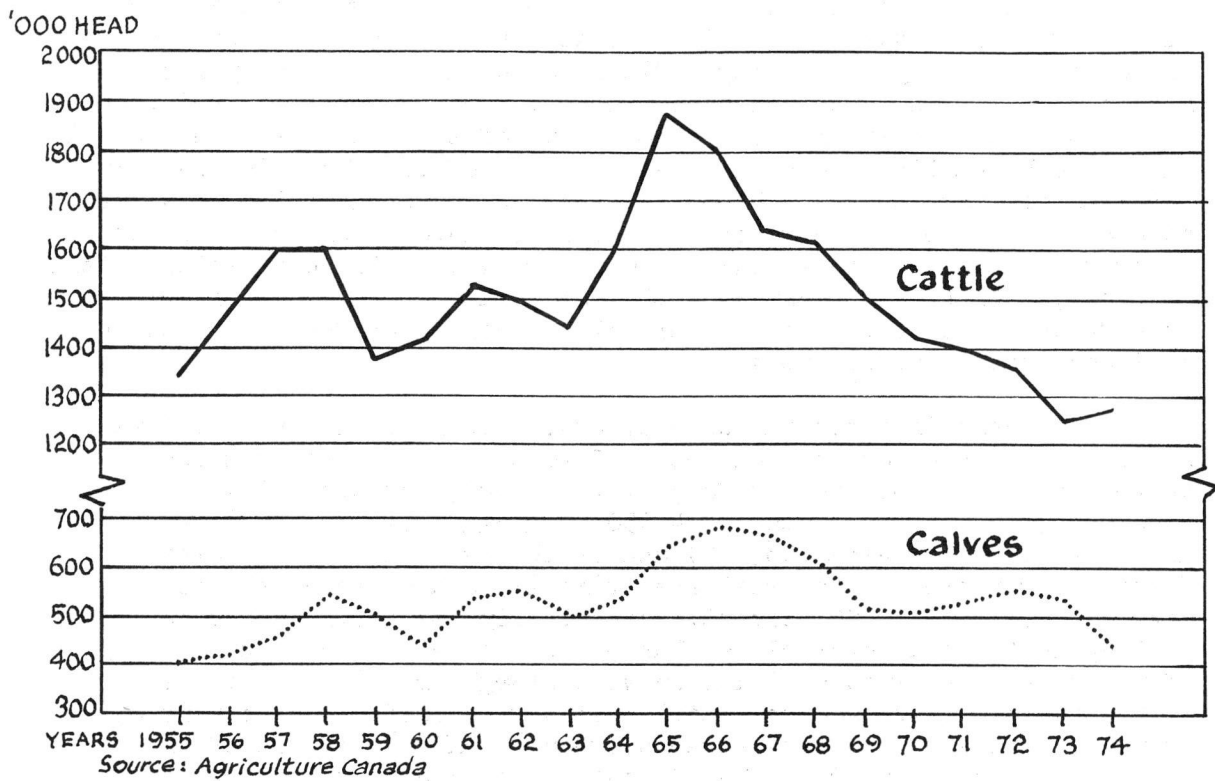
The marketings of calves for slaughter has decreased in most areas of Canada because of the increased feeding of calves to mature slaughter weights. All but the Toronto stockyards reported a downward trend in their receipts of slaughter (veal and butcher) calves in the 1955-74 period. Total for Canada was down by 19 percent (Table 4). While slaughter calf sales declined, all but the Lethbridge and Montreal stockyards displayed an upward trend in their feeder calf marketings. Total for Canada showed a 71 percent increase.

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<sup>1</sup> 1974 sales volumes

FIGURE 1

**Annual Marketings of Cattle and Calves in Canada,  
Public Stockyards 1955-74**



Heifer marketings have increased most at terminals between 1953 and 1972 (Table 5). However, the change in composition of steers, heifers and cows marketed at public stockyards varied among markets (Table 6). An increased percentage of steer marketings was seen at three markets (Toronto, Winnipeg and Prince Albert), while an increased percent of heifer marketings was seen at four markets (Calgary, Edmonton, Regina and Toronto). A higher proportion of cows was seen in five markets (Edmonton, Lethbridge, Regina, Saskatoon and Montreal).

There has been an important change in the method by which producers market slaughter cattle to packing plants. Terminals are accounting for a steadily decreasing share (Table 7). Between 1955 and 1974, the proportion of slaughter cattle marketed through stockyards in Canada has declined from 57.9 percent to 32.9 percent. While it is difficult to make exact regional comparisons because of the change in the level of inter-regional shipments, there are some important differences. Alberta has declined most to a very low level (18.8 percent) while Ontario has remained relatively high (48.6 percent), as has Quebec (57.9 percent).

One of the most serious allegations regarding terminals is that they are becoming increasingly less representative of the total marketings of cattle. Particularly, it is alleged that the better cattle are by-passing the terminal. A comparison of two ten-year periods (1953-62 and 1963-72) confirms that this tendency is occurring and becoming even more pronounced (Table 8). A lower proportion of choice steers were marketed at terminals than for all cattle slaughtered in the first period and the difference increased for the second period. In 1953-62, 17 percent of receipts at terminals were Choice grade cattle while total gradings were 24 percent. In the latest period, stockyards sold 30 percent Choice cattle while total gradings were 39 percent. The lowest grade of steers and heifers, Common, was marketed in greater proportions at terminals than for all cattle slaughtered in the first period and it increased for the second. Common cattle accounted for 9 percent of terminal sales in 1953-62 and 5.9 percent in 1963-72 while total gradings were 5.0 percent and 1.7 percent for these same two periods. Similarly, more cows are sold at terminals and the difference in proportions is widening. Sales of cows at terminals accounted for 32 percent of sales in 1953-62 and 31 percent in 1963-72 while total gradings were 30 percent and 25 percent respectively.

Projections of marketings of slaughter and feeder cattle using trends of the 1955-72 period indicate that terminals will become an increasingly less important market for slaughter cattle, but this will be more than offset by increased marketings of feeder cattle.<sup>2</sup> By 1990 feeders are projected to account for a larger proportion of total sales at terminal markets than slaughter cattle.



Variations between the nine terminals in projected growth rates are sizeable. While total marketings at terminals as a proportion of total provincial slaughter are projected to decline at 5.2 percent annually, this varies from a low 1.0 percent at Prince Albert to a high of 7.8 percent at Calgary. Heifer marketings as a proportion of steer and heifer slaughter are projected to rise at four terminals, but all other categories of slaughter cattle are projected to fall at most terminal markets. Cows, however, have no significant trend.

#### Concerns Relating to Terminals

The terminal markets provide a major reference price for each class of livestock for the entire market because of the relatively large volumes of livestock handled, the extent of buyer competition, their central locations in many regions, the close regulation of trading and the quality of marketing services. Thus, terminal markets reflect a substantial portion of the supply and demand forces under known and constant conditions of sale so that price comparisons with other methods of marketing, other regions and other time periods can be made.

Despite these advantages, terminal markets are declining in relative importance. The primary reasons are marketing charges as well as the extent of bruising and weight shrinkage and often transportation costs are higher than for direct sales and in many cases than for local auctions. Producers may accept lower prices but receive higher net returns from other markets.

Terminals are faced with obsolete facilities brought about by declining total livestock sales, low profits and little capital improvements. Locations of terminals are becoming less desirable. They are located in the centre of cities, on expensive land, not easily accessible by truck, adjacent to antiquated meat packers and distant from new modern packing plants. Volumes are quite variable from day to day while many costs are fixed, including labour. This plus fixed fees prevents firms from maximizing incomes. In part, the problem is the early-week market, i.e. deliveries are skewed toward the first part of the week. This increases the average unit costs of operation not only of the public stockyard but also of the commission firms, other marketing agents and the processors. As the public stockyard is forced to maintain facilities and personnel capable of handling the cattle for the maximum delivery day, commission firms' sales people are severely under-utilized late in the week and packers may have difficulty in making best use of buyers when the market operates five days per week but slaughter cattle are offered in any significant volume on only two of these days. Killing and processing efficiency of the plants is also affected by the uneven flow of cattle obtained from the public stockyards. In short, the early week market contributes to some degree to the excess capacity in the market channel. Also, because of uncertain volume, there may be less competition because of too few buyers.

Variability in daily deliveries at the Regina and Prince Albert public stockyards is shown in Table 9 for the April 1974 to March 1975 period. About two thirds of the week's deliveries are received on Tuesday and Wednesday with relatively few on the remaining days. Other terminal markets in the prairies follow similar daily marketing patterns. As a result market reports for the light marketing days could be unrepresentative for some classes of cattle and calves. Reasons for the early-week market are not well known, however, a U.S. study suggests it is the belief by producers, commission agents, truckers and others that there is more competition for livestock early in the week which results in higher prices.<sup>3</sup> Elimination of selling of Fridays at some markets is an example of attempts to improve the market during the remainder of the week. Commission firms and the co-operatives also attempt to better utilize labour through country buying activities late in the week.

The declining volumes of slaughter cattle, particularly of the highest grade which is the reference price quoted, may yield unrepresentative price quotations. This is important as only terminal prices are publicly reported. As more sales become lost to public view, the use of terminal markets as a reference point becomes less accurate and reliable. If other markets negotiate on this basis the problem becomes increasingly acute.

Public markets could probably remain a viable force in livestock marketing for some time without making any changes. From a more positive viewpoint, there are possibly procedural changes to minimize costs and increase cattle volume. These include elimination of selling days, reducing number of sales rings operating simultaneously, extension of commission firms to other activities, modernization of sales transactions and improvements in cattle handling and sales procedures.

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<sup>3</sup> Cramer, Charles L., Why the Early-Week Market? North Central Regional Publication 91, Missouri, Agric. Ep. St., Bull. No. 712, October 1958.



## 2. COUNTRY AUCTIONS<sup>4</sup>

The development of livestock auctions has been one of the more significant modifications in the method of marketing live cattle during the post-war period. They now account for approximately one sixth of slaughter cattle sales and the majority of the slaughter and feeder calf and feeder cattle sales. Little information is available on their development, their present size or their methods of operations in Canada.

In contrast to public or terminal markets, legislation governing the procedures of country auctions is under provincial jurisdiction which differs extensively among provinces and in most cases was only recently enacted or is non-existent. Very little public information is available on prices or quantities of sales, as compared with terminals where market reporters compile prices and sales daily.

Country auctions are of many types and sizes. Most are very small, but some are larger than the five smallest terminals. Most have weekly sales, although some are daily and some operate with only special seasonal sales, such as fall feeder cattle sales.

### Development of Auctions

The major growth in country auctions occurred during the 1950's and 1960's. One of the reasons for their development was the improvement in local roads and in truck transportation, so that producers did not need to rely on railroad transportation to move cattle to and from central markets. The country auctions were located closer to sources of supply than were terminal markets and therefore, country auctions naturally developed as good, local markets for replacement stock. This was fostered by an increasing specialization of breeding and feeding enterprises of cattle production. Their growth also had a symbiotic relationship with the decentralization of meat packing plants closer to sources of supply. Auctions provided the competitive market for selling livestock that had terminals for the large centrally located packing plants decades earlier.

Initially, much of the growth in livestock auctions was at the expense of dealers and private treaty sales between producers. Producers selling and buying felt that auctions provided more competition and therefore, competitive prices.

Livestock auctions developed in the U.S. for similar reasons as in Canada, but their take-off in growth took place at least a decade earlier. Geographic changes in livestock production may have been more pronounced in the U.S., with most terminals being located within the North Central or Corn belt region.

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<sup>4</sup> Much of the data for this section was obtained from unpublished studies for each province provided to or undertaken by consultants of the Commission.

### Number and Size of Auctions

There were approximately 250 auctions operating in Canada in 1974. The majority of these were located in Ontario and Alberta (Table 10). Generally, auctions are not very important as markets of slaughter cattle, but are the most important source of replacement cattle and slaughter calves. It was estimated that there were 3.54 million head of cattle and calves sold at country auctions in 1974. This is more than twice the volume of sales at the terminal markets in Canada.

There are a number of regional differences in the size of auctions and the type of product sold. These are highlighted by a discussion of auctions in each region.

In the Atlantic provinces, there are no terminal markets, so country auctions play a major role in livestock sales. Dollar sales at auctions have increased steadily each year from 1957 (since records were kept) until 1973, but declined in 1974 (Table 11). The growth in dollar sales is attributed to an additional number of auctions, larger sales volumes and increased prices. The largest single category of cattle sold was bob calves, accounting for 31 percent of the 55,700 head of cattle sold. Some of these were trucked into the Maritimes from Quebec. All veal accounted for 35 percent, while all calves and feeders accounted for 68 percent of the total volume of cattle sales. Slaughter steers and heifers were 10 percent of sales, while slaughter cows were 14 percent of sales (Table 12). The majority of livestock came from a 25-mile radius of the auction: P.E.I. 83 percent, Nova Scotia 52 percent and 55 percent in New Brunswick (Table 13).

In Quebec most of the cattle and calves sold at auctions originate from the dairy herd and are in small lots. For calves, transport costs for small lots is high relative to their value. Consequently, auctions provide a major assembly grouping small lots for more economical transfer to slaughterhouses or local farms. Location of auctions are generally geographically distributed according to animal population. While there are a large number of auctions on the south shore of the St. Lawrence River, there are only four auctions very close together. Most animals come from within a 50-mile radius and many come from within a 25-mile radius. Only six auctions reported out-of-province sales, and then it was less than 5 percent of their business.

Increasingly more cattle and calves are sold at Quebec auctions than at the Montreal Terminal. In 1965, it was estimated that auctions accounted for 55 percent of calf sales and 24 percent of cattle sales at auctions and the Montreal Terminal.<sup>5</sup> In 1974 it was estimated to be 86 percent and 61 percent respectively (Table 14). Of the 41 auctions,

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<sup>5</sup> Royal Commission of Inquiry on Agriculture in Quebec, Meat and Poultry Marketing in Quebec, 1967

five of these (owned by three firms) account for 51 percent of the dollar sales,<sup>6</sup> 40 percent of the calf marketings and 44 percent of the cattle marketings.

In contrast to other provinces, Ontario country auctions account for a large percentage of slaughter cattle sales (Table 15). Calves and feeder cattle account for approximately one half of the total cattle sales. Livestock auctions in Ontario account for 29.3 percent of slaughter cattle, 86.3 percent of replacement cattle and 61 percent of calves sold at country auctions and the Toronto Terminal.

As in Quebec, a small number of Ontario auctions (nine auctions or 15 percent of the firms) account for one half of the sales (Table 16), but Ontario auctions are much larger. In Quebec, 13.1 percent of firms have total livestock sales exceeding \$3 million, whereas in Ontario, 50 percent of firms have sales above this level. Growth in sales at Ontario auctions since 1966 have been modest, with the exception of replacement cattle (Table 17).

In Manitoba, two firms (13.3 percent of all firms) account for 64.6 percent of the cattle and calf marketings (Table 18). Three auctions account for 73 percent of total sales (Brandon, Dauphin and Virden), of which 68 percent of sales are cattle and 32 percent are calves. Most of the cattle are feeders.

In Saskatchewan, the Saskatchewan Wheat Pool controls most cattle marketings. The Pool owns one terminal and operates two others, at one of which it is the sole commission firm. It also owns four country auctions<sup>7</sup> operating four days per week and three auctions operating one day per week plus three auctions in other provinces (Table 19). In 1972/73, the Saskatchewan Wheat Pool accounted for an estimated 82 percent of Saskatchewan cattle sales and with the additional markets now operated by them, this proportion could be higher. The Pool performs a unique marketing function in that it supports cattle prices when particular markets appear low. In 1973/74, losses under this program were \$310,000. Most of the other 28 auctions in Saskatchewan are quite small (Table 20). Approximately, 75 percent of sales are cattle and 25 percent are calves, with most cattle being feeder cattle.

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<sup>6</sup> Estimate from Quebec Department of Agriculture

<sup>7</sup> A fifth auction, Lloydminster was started in 1975.

In Alberta, there are six types of stockyards in addition to public or<sup>8</sup> terminal markets. Class D, E and F are classified as country auctions. Volume at these auctions has increased more than 14 fold during the 18 years, 1956-73 (Table 21). It is estimated that feeder cattle and calves count for 90 percent of the sales at country auctions in Alberta.

In British Columbia, the B.C. Livestock Producers Co-operative owns four firms, which account for more than 40 percent of sales. There are three firms in B.C. which market more than 20,000 head per year and these account for 52 percent of sales. Seven of the 17 auctions are very seasonal with four operating only four months or less. Calves account for nearly one half of sales with cows, steers and heifers accounting for nearly equal shares of the rest of auction sales.

The two primary functions of assembly and transfer of ownership require a number of activities at country auctions, such as yarding (unloading, tagging, weighing, penning, moving to sales ring, repenning and reloading), selling, accounting and cleaning. For these, some labour is full-time but most is part-time for the day of the sale only. It is estimated that labour costs are one half to two thirds of the total operating costs. A study of auctions in the Maritimes showed that an average one hour of labour was required for every \$240-worth of sales, but this ranged from \$50 to \$462-worth of sales (Table 22).<sup>9</sup>

Capital investment in Maritime auctions ranged from \$22,250 to \$125,000 and averaged \$74,993. Sales per dollar of investment ranged from \$1.40 to \$47.39 with an average of \$18.25. In Quebec, capital investments in auctions were even more diverse, with nearly one half of the firms reporting less than \$50,000 investment while 8 percent of the the firms reporting more than \$200,000.

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<sup>8</sup> Class D sell more than 1,200 head of livestock per year.  
Class E more than five sales per year, sell cattle only.  
Class F less than five sales per year, sell cattle only.

<sup>9</sup> In Quebec, it was estimated that the largest five auctions sold 0.38 head per man-hour labour while the smallest 18 auctions sold 0.44 head per man-hour. For the latter, it was felt that the owners and their family undervalued their time spent at the auction.

From U.S. studies, it is estimated that well organized firms with sales of 20,000 animal units achieve most economies of scale, and from a size of 35,000 to 75,000 there is only a small reduction in costs. A very small percentage of the country auctions in Canada are at this level (Table 23). Only six firms marketed more than 65,000 head while 45 firms marketed more than 20,000 head per year. This does not necessarily mean that there would be a reduction in total industry marketing costs by greatly consolidating the existing number of auctions, since any reduction in marketing costs might be offset by increased transportation costs of assembly.

### Selling Practices of Country Auctions

Procedures used in selling livestock differ substantially between auctions and are often the source of criticism of the country auction system.

Weighing, for example, is usually done immediately prior to selling, but sometimes it is done after a sale, or on receipt at the auction, which reduces the effectiveness of the market by restricting information to buyers. Weigh scales are the main source of controversy, as many producers contend that weights are light so prices appear to be higher.<sup>10</sup>

Generally, weekly sales follows the same pattern whereby a specific class of animals is sold before proceeding to another class. Selling within that class may be based on the time of arrival, but sometimes the auction will decide the most appropriate order of sales to maximize their total sales revenue. For example, early lots may be sold at a low price to "warm up" the sale. Unfortunate owners of these livestock may receive a lower price. While sorting of lots as to their order of sale may improve the auction firm's income, individual producers may not benefit.

Many auctions sell cattle only in owners' lots which may be one head at a time. Lotting of several owners' cattle is only done at special sales. In most auctions, however, the general practice is to separate owners' cattle into homogenous lots. While it has been demonstrated that larger uniform lots of cattle bring higher prices and lower selling costs, most producers object to the commingling of their cattle as they believe that their cattle are of superior quality and will bring a higher price on their own. As a result, auction efficiency is substantially reduced.

In some provinces (e.g. Ontario) auctions are bonded to ensure payments to sellers, which are made by cheque shortly after a sale is made. Buyers generally pay before animals are taken from the premises but sometimes payment can be delayed. For example, in Quebec, nine firms require immediate payment, while 29 firms require payment within eight days.

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10 In Quebec, 30 of the 39 auctions still use manual scales which requires manual recording of weights. The cost of purchase and installation of automatic scales would mean a 30-75 percent increase in investment for some of the smaller firms and could force them out of business.

Auctions are generally not responsible for damages to livestock; the owner bears this responsibility. Moreover, all sales are final and the auction assumes no warranty on the quality of the cattle.

In many country auctions, the owners of livestock are permitted to reserve bid or can bid-in their cattle and sell them at a later time in the sale. Some auctions make a charge for this while others do not. (In the Maritimes, charges ranged from \$0.50 to \$3.00/head.) In some auctions, this can represent a substantial proportion of sales and if many are resold during the auction, this increases selling costs.

Auctioneers or their firms may also be order buyers. This represents a conflict of interest if the auctioneer representing the seller is also the buyer, and the result could be a lower price. It was noted that 23 of the auctions in Quebec purchased cattle, but most claimed that these were a small percentage of sales and were largely to maintain prices. In some cases, the purchases were to provide cattle for their own farms or abattoirs. In Saskatchewan, a study of brand inspection data shows that auctions consigned 42.5 percent of feeder cattle shipments and 26.0 percent slaughter cattle shipments.<sup>11</sup> Most of these would likely be the result of order-buying. The unique role of the Saskatchewan Wheat Pool, however, in supporting cattle prices, may slightly bias these data upward.

Auctions are generally held weekly, but some are every other week (three in the Maritimes) and some are held four times per week (one in Manitoba and four in Saskatchewan).

#### Number and Type of Buyers and Sellers

Most sellers at auctions are producers although there may be some dealers who perform an arbitrage between markets. In Quebec, 17 out of 39 auction firms indicated 95 percent of supply was from farmers and only seven firms indicated it was 85 percent or less. Most of these were from near the auction. Many sellers accompany their livestock to the sale. In Quebec it was claimed that only three out of 10 farmers did so, but this does not seem consistent with attendance of 200-300 people at auctions.

One of the most debatable issues relating to auctions is the number of buyers and the extent of competition among them. The number of buyers present varies considerably between auctions and even within an auction it varies from time to time and from class to class. The minimum

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<sup>11</sup> Agriculture Canada, A Description of the Inter-regional, Inter-firm and Seasonal Movement of Livestock in Saskatchewan, unpublished study, January 1975.



number of buyers required for an auction to function effectively is a debatable issue. The Quebec Royal Commission of Inquiry on Agriculture proposed that there be at least six buyers. In Quebec, one half of the auctions generally did not meet this criteria for calves, while one third generally did not meet this criteria for cattle (Table 24). Also, in Quebec, there is a concern that an increasing number of abattoirs rely on one order-buyer to attend auctions, reducing competition. At Maritime auctions, it was estimated that there are 10 dealers present as well as farmers bidding on livestock. In Ontario, a Commission study of auctions found that there were five to 11 buyers at country auctions for slaughter cattle.<sup>12</sup> For certain classes of cattle, however, one half of the cattle were purchased by one firm.

#### Commission and Other Charges

The commissions charged vary considerably and few generalizations can be made. The fees may be a percent of sales or a flat fee per head. With the former, a minimum and/or maximum per head charge may exist. Charges for any feed used are generally in addition to the selling fee.

In the Maritimes, selling charges ranged from 3-5 percent of sales. One firm charged 3 percent for animals more than 400 lb. and 5 percent for those less than this weight. Another charged 4 percent for sales up to \$1.25/head with a \$5/head maximum. Another charged 3.5 percent. Three auctions gave volume discounts.

In Quebec, most auctions charge 3 percent for cattle. Some have minimum charges ranging from \$2-\$7/head and some have maximums ranging from \$5.50-\$10/head. Some auctions charge 5 percent, with minimum of \$2-\$6/head and maximum \$5-\$10/head. Other auctions use a flat fee of \$5-\$7/head. For calves, most auctions charge 3 percent with a minimum of \$1-\$2/head and a maximum of \$2.25-\$5.00/head. In some cases, there is a volume discount.

In Ontario, three auction firms observed had charges of \$4/head for cattle. One of those offered a \$1/head volume discount for eight or more head.

In Saskatchewan, the Pool charges the same fee at all terminal and auction yards. More than 500 lb., yardage is \$2.50 and selling is \$3.50/head. From 300-499 lb., costs are \$2.15 and \$3.10 while less than 300 lb., yardage is \$1.75 and sales commission is \$2.40/head. At most other auctions, commissions are 3 percent of prices.

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<sup>12</sup> Commission of Inquiry into the Marketing of Beef. Research Report No. 3. A Comparison of Live Cattle Prices and Carcass Costs (Ottawa: Information Canada, February 1976)

In Alberta, a fee of \$4.50/head for fed beef is quite common while fees for feeder cattle range from 3-5 percent.

#### Concerns Relating to Auctions

There have been many advantages cited for auctions and their rapid growth indicates that it is a valuable alternative market for producers. Auctions play a vital assembly role for a local market, providing a competitive method of selling for transfer of ownership. This can be a very efficient means of exchange for those animals remaining within that area. It enables a producer to set a higher reserve price and bring animals back to his farm. Also it provides local market news and an opportunity for grouping of cattle into larger lots for sale in either local or distant markets.

Nevertheless, there is a concern as to whether country auctions are the most efficient method of marketing livestock and whether producers receive an equitable price for their product. These concerns relate to small sales volume, lack of sufficient buyer competition, and questionable operating practices.

Many auctions in Canada operate at a very low and highly seasonal volume of sales, which undoubtedly affects marketing costs. In some cases, it is apparent that the system would be much more efficient with fewer firms. With sales only one day per week and the use of part-time and inexperienced labour, both fixed and variable costs per animal are high. As with terminals, small lot sizes add greatly to marketing costs. Some auctions should not operate during low volume seasons.<sup>13</sup> Because of the low volume, often there are insufficient numbers of buyers to ensure a competitive price. When the auction firm is also involved in buying, a conflict of interest exists. Often facilities need upgrading as well as improvements in selling, handling and records procedure. Also there needs to be an improvement in the minimum supervisory practices related to weighing, health inspection and record keeping.

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<sup>13</sup> One auction in Quebec operated a sale with nine calves and three cows. There was no buyer for seven calves and it was not determined by whom they were purchased.



### 3. DIRECT TO PACKER SALES

Direct to packer sales are those between producer and packer which does not go through an organized market or involve transfer of the ownership to an intermediary.

The most common methods of selling direct to packers are:

- private treaty between the packer-buyer and the producer;
- private treaty through the producer's representative (e.g. commission firm) and the packer;
- sealed-bids made from packer directly to producer; and
- private auction with buyers travelling to the feedlot where cattle are sold via the auction method.

The terms of sale for direct sales are frequently:

- live weight basis, f.o.b. the feedlot with possible "pencil" shrink, or delivered to the plant door;
- dressed weight basis;
- dressed weight and official grade basis.

The most commonly used method is for packer buyers to make a bid, on a live weight basis, at the producer's yard. Usually, if transportation is the packer's responsibility, there is a maximum number of days before pick-up (often four days) otherwise a daily penalty is charged for maintaining the animals. Packers may use these cattle as reserves to ensure adequate kill levels or to use for Monday morning slaughterings.

There are a number of other alternatives used in direct marketing such as conference call telephone auction, direct to buyer telephoning, producer listing services, etc. None of these options have much significance in Canada.

The sealed bid and private auctions are basically phenomena of Southern Alberta. These methods have substantially increased the bargaining position of producers. Under a private treaty system, a rejected bid means that the buyer takes his bid with him. Sealed bids on the other hand lets the producer accept one or reject all bids. Packers however, find it more inflexible since if they bid on a number of cattle it is not known whether any or all have been bought until they are notified by the producer. Private auctions have not been very successful because of high selling costs, lack of buyers participating and the obligation of producers to sell regardless of price.

Generally it is the younger, larger feedlot operators who sell direct. Often producers must establish their reputation for good quality cattle before packers will accept to market in this method.

### Volume of Sales Direct to Packer

Estimates of the extent of direct deliveries cannot be made accurately. Published data refer only to those cattle marketed at a terminal and all others. The latter includes auctions as well as direct sales. Auction sales are not defined as to whether buyers are packing plants or whether animals may be resold, creating a problem of double counting. Various estimates have been made by industry personnel. For Manitoba, direct sales have been estimated to be 60 percent of all marketings, for Saskatchewan, it was estimated to be only 10 percent and Alberta 75 to 80 percent of marketings (Table 25) with the Lethbridge area considerably higher, perhaps 90 percent.<sup>14</sup> Ontario is substantially lower, probably 20 to 30 percent.

The Commission's survey of packers obtained results on cattle marketings which covered 82 percent of inspected slaughter (Table 26). It was found that 56 percent of purchases for all plants were direct to packer. Of these, most were liveweight purchases (28 percent). There was some difference between the major packers and independent packers. The former purchased 64 percent of its cattle direct, while the latter purchased 47.2 percent direct and the rest through terminals and auctions.

Other information obtained by the Commission shows that there was great variability among plants and in some cases ranging up to 90 percent of all purchases. Direct purchases were found to be higher for new plants and public stockyard purchases were substantial for old plants.

From the Commission survey, several packing firms indicated that more animals were being bought on a rail grade basis, partly because of the new grading system and partly because producers wish to sell in this manner. Other firms indicated that more were being purchased at terminals because prices were lower, or at auctions to reduce marketing costs.

### Issues in Direct Marketing

A basic issue surrounding marketing direct as opposed to marketing via some market intermediary is whether the savings in marketing costs due to lower transportation, handling, marketing services and procurement costs are more than offset by lower prices as compared to those which may be obtainable through increased buying competition (such as at terminals and auctions). Proponents of public stockyard or auction market selling claim packers pay lower prices for direct purchases - price differences which are not offset by the cost savings

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<sup>14</sup> Dressed weight and official grade (rail grade) was 16 percent for four areas of Alberta reported.

of the direct delivery. Producers who sell directly (usually larger feedlots) argue that they can bargain effectively with packer buyers and obtain prices which, if not as high as those at public yards, at least allow them to capture some of the cost savings.

A second basic issue is whether direct selling removes cattle from the organized markets in sufficient volume to seriously detract from their efficiency, competitiveness and role in providing market information. While direct selling may be advantageous for an individual producer, this may not be the case if many producers marketed direct, since considerable market information would disappear from the public view, and average selling costs for auctions and terminals would become prohibitively high.

#### Advantages of Direct Sales

Direct selling has many advantages including flexibility and convenience for both buyer and seller, savings in marketing costs, shrink, bruising, etc.

Producers selling direct in the country have the option to accept or reject all offers without bearing many costs. At a public market if prices are low the producer either accepts that or pays the price of marketing and returning the animal to his farm. At the same time processors may schedule deliveries of cattle bought in the country to create a uniform flow of cattle to their plant, thereby improving efficiency.

Direct selling reduces costs of marketing, shrink and bruising, etc. Normal marketing costs are \$4-\$5/head. Shrinkage loss (on a 1,000 lb. steer) from an eight hour stand at a public market is estimated to be 3.9 percent or \$19.50. On a 24 hour stand, the shrink would be 6.6 percent or \$33. With some feeding at auctions, losses would be perhaps two-thirds of this level. Estimates of bruising showed a total cost of \$6/head,<sup>15</sup> but it is difficult to assess what the differences would be for the different marketing channels, but auctions may be \$1 or \$2/head higher. The total of these savings per 100 lb. would be \$2.45-\$2.70.

Producers with a large number of cattle to sell, accurate market information and good market skills, may be able to negotiate a proportion of these savings to increase his net returns.

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<sup>15</sup> W.F. Williams and T.T. Stout, Economics of Livestock Meat Industry (New York: MacMillan, 1964)

Sales on a rail grade basis have a number of advantages such as to reduce the uncertainty for both buyer and seller as cattle are purchased on specific measurable criteria. It permits more accurate price information to be disseminated, and highest prices to be paid for the highest quantity cattle. Diseases can be traced to owners. Packers can more easily calculate returns on each carcass rather than an average for an entire kill lot.

#### Disadvantages of Direct Sales

In private treaty sales, producers are generally at a disadvantage relative to packer buyers. First, the number of packer buyers available are very small, perhaps only one, so producers do not have similar bargaining strength. Secondly, packer buyers are generally better informed on current market supply and price conditions. Thirdly, the buyer is generally a better judge of cattle weight, dressing percentage and grade. Fourthly, if shrink allowances are negotiated, the buyer has a better knowledge of what shrink will actually occur.

Because of the relative strength of buyers under the private treaty method of sale, prices to various buyers can differ substantially. Moreover, with differing conditions of sale it becomes difficult to compare prices received.

If savings do exist in direct sales, it would appear that packers should be able to extract most of those gains because of their relative bargaining strength. Therefore, net returns to producers may not differ widely between direct selling and auctions and depending on their knowledge of markets, could be even less.

A Commission study examining price levels and pricing accuracy between methods of selling found that:

- (1) Price level was slightly lower for steers for direct to packer sales than for the Toronto terminals, but the difference was considerably less than marketing charges and estimated differences in shrink. For heifers, direct sale prices were lower by more than the savings in marketing direct to packers.
- (2) Pricing accuracy was found to be highest in direct purchase by rail grade and lowest in liveweight direct purchase.<sup>16</sup>

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<sup>16</sup> Commission of Inquiry into the Marketing of Beef. Research Report No. 3. A Comparison of Live Cattle Prices and Carcass Costs. (Ottawa, Information Canada, February 1976)

### Some Changes in Direct Selling

Improvements in direct marketing can help to overcome some of the associated pricing inefficiency. For example, regulations or accepted standards with respect to the basis for direct sales, such as weighing procedures (warm or cold dressed weight, inclusion or exclusion of kidney, fat, etc.) would aid producers in bargaining and could render usable price quotations. The Departments of Agriculture in the three prairie provinces, British Columbia and Ontario have developed a standard basis for carcass sales and ensure that weights and grades are supervised by a federal employee in order to facilitate improved rail grade selling of beef cattle.

An improvement in producer bargaining power would appear to be advantageous. Thus, the advent of competitive bidding by sealed bid and private auctions theoretically has been an improvement for producers. Auction methods are superior to the sealed bid method, and teletype selling, or selling railgrade at terminals are possibilities to be evaluated.

#### 4. OTHER METHODS OF LIVESTOCK MARKETING

Dealers are cattle buyers taking possession of livestock for resale purposes. They are generally market speculators and provide the arbitrage function to equate regional prices in different auctions or markets. They may also function as order buyers. The volume handled by them is not well known. However, in Alberta, there are 943 dealers and agents licenced by the provincial government. They are undoubtedly largely responsible for the multiple marketings of single animals.

Another method of livestock marketing is the co-operative shipping association. While many of these have disappeared since their original purpose was to assemble railcar lots of cattle to ship to terminal markets, some forms of the shipping association still exist. For example, in Alberta the Modern Beef Exchange is a group of small producers who have marketed up to 4,500 head per year. The exchange assembles livestock each week from producers and uses a sealed bid method of selling directly to packers.

In addition to all of the above methods, there are substantial farm-to-farm sales on a private treaty basis.

5. PACKER FEEDING OF LIVESTOCK

The vertical integration of meat packers backwards into cattle feeding is an emotional subject. Producers believe that this permits meat packers to manipulate the market and lower producer prices. However, the extent of cattle feeding by packers in Canada is very small. Major packers fed 15,969 head in 1973 and 18,555 head in 1974. The number of head for all packers was 23,569 and 35,753. This represents 1.4 percent of inspected slaughter in 1973 and 1.8 percent of 1974 (Table 27).

## 6. THE PRICE SETTING PROCESS FOR SLAUGHTER CATTLE

The slaughter cattle market in Canada operates in a relatively free enterprise environment. Prices are generally permitted to equate the quantity and type of cattle demanded by packers with that offered by producers, without direct public or private firm intervention. Thus, the cattle markets enjoy the benefits and the shortcomings of a freely competitive industry.

Annual supplies of beef are largely predetermined once information on calves born, calf slaughter, deaths and female replacements have been ascertained. Some short-run flexibility does exist in feeding rates, slaughter weights and modifications in replacement rates. The aggregate demand for live cattle by packers is mainly affected by competitive meat prices and consumer incomes. This demand is not strongly influenced by price because of rigidities in consumer habits and taste preferences for beef as well as packers attempt to maintain consistent kill levels. Because of these, demand and supply schedules are relatively invariant to price, prices fluctuate considerably more than supplies. One percent increase in slaughter cattle marketings is generally associated with a much larger percentage decline in cattle prices.

The Canadian cattle market is closely tied to the U.S. market. With low trade barriers, historically, there have been periods of large feeder cattle exports and slaughter cattle imports, but small reverse trade flows have occurred on occasion. Consequently, because of the size of the U.S. market, Canadian prices are tied to the U.S. prices plus or minus the transfer costs. Imports of frozen oceanic beef can also substitute for fresh Canadian cow beef and again the level of Canadian prices must be closely related.

Thus, live cattle prices are determined by competitive supply and demand forces, but constrained by international prices. For individual buyers and sellers, however, the process is more intricate. A producer with market cattle for sale, possibly has several weeks leeway in timing of his sale. His other main decision is the selection of the market channel, as he virtually is a price-taker in the market. To assist in this decision he may rely on market reports from the public stockyards and/or he may visit or seek information from local auctions to obtain prices. Producers with a large lot of cattle may request (and get) a bid from one or more packer buyers for sales directly to packers on a live weight, rail grade, or possible sealed bid basis. Based on this information and his prior experience, the seller selects his market channel. If he decided to market via an auction or terminal or deliver them direct to a packing plant, the producer incurs marketing costs (transportation, shrink and commission) and his realized price is uncertain. If he is unable to obtain a reasonable price, the producer may decide not to sell, but to hold his cattle for a short time in the anticipation of an increase in market prices.



To understand how prices of individual lots of live cattle are established by packer buyers, it is necessary to know how packing plant managers typically allocate costs and revenues and how this affects their operating decisions. As a packing house purchases live cattle and converts them to carcasses and by-products, there are two important factors facing a beef manager.

First, he must have a reliable estimate of the expected price he will receive for carcasses and by-products as well as plant killing costs. Secondly, he must be able to convert the price he would pay for carcass beef into a price he will pay for live cattle by knowing the yield and grade of dressed beef from a live animal. Having these two sets of information, he is then able to convert a break-even price for a wholesale carcass of a certain grade into an equivalent price for live cattle of the same grade. This process is referred to as beef costing.

Using some representative figures for the summer of 1975, the expected packer offer price to producers can be demonstrated. If A1, A2 carcasses are selling for \$80/cwt. in Montreal, then this Montreal wholesale carcass price is converted to a carcass price in Southern Alberta by subtracting \$6.15/cwt. for freight, shrink and claims for a price of \$73.85/cwt. From this price, it is necessary to subtract the costs of killing. These are usually classified into two separate categories, labour costs and overhead. The labour costs or "running costs" include basically labour plus fringe benefits (variable costs). The overhead costs include utilities, taxes, depreciation, profit, interest, administration and such like (fixed costs). If labour costs are \$2.25/cwt. and fixed costs are \$2.75/cwt then the carcass has a value of \$68.85/cwt.

A live animal also produces by-products, so live cattle prices must incorporate not only the carcass value, but also the value of these by-products. These by-product credits are usually calculated weekly on a cwt. of carcass basis by the packers head office. If by-product credits are \$5.50/cwt. for the week, then it is credited to the carcass value, in this case raising the value of the carcass to \$74.35/cwt.<sup>17</sup> This carcass equivalent price may be converted back to a live price basis by multiplying by the percentage yield of beef, i.e. 57 percent for a good steer. In this example a Southern Alberta producer's expected live weight price for a good steer from this plant when carcasses are selling at \$80/cwt. in Montreal would be 57 percent of \$74.35 or \$42.38/cwt.

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<sup>17</sup> By-product credits and killing costs are traditionally assumed to be relatively equal. In this case by-product credits are greater than killing costs by \$.50/cwt.

The beef manager uses cost levels from the above to make buying decisions. His key cost is the long cost: his cost for a particular carcass hanging in the cooler, given that he has paid for the animal on a live basis and slaughtered it. In the above example, his long cost was \$74.85/cwt. as he paid \$42.38/cwt. for a steer yielding 57 percent. In this case, the \$74.85/cwt. long cost is the maximum price the beef manager could pay for beef hanging in the cooler and still cover all expenses given the particular combination of carcass and by-product revenue expected from the wholesale market and his plant's killing costs. Each week, the beef manager calculates his acceptable long costs and uses it as a guideline for buying cattle.

It is very important that the packers have good buyers to purchase live beef as they are given a long cost they must not exceed. These buyers must be able to judge the yield of the live animal and whether or not it will grade in the A1 or 2 category. If the yield of the animal is different than 57 percent, then the live price to be offered to maintain the long cost must be adjusted accordingly. For instance, if an animal yields only 56 percent and the long cost is \$74.35/cwt., the maximum live price is \$41.63/cwt. Conversely, if the animal yields 58 percent with the same long cost, its maximum price would be \$43.12/cwt. If the animal does not grade A, then its carcass value is lower and its live value is correspondingly lower.

Packers are faced with major operating decisions if the long cost of cattle bought exceeds the calculated acceptable long cost of operating without losses. Such conditions force both short run and long run operating decisions. In the short run, the plant must at least cover "out of pocket" costs or variable costs and in the long run, total costs must be met. These cost levels may be arrived at through the following type of calculation. Given the long cost of \$74.35/cwt. from our example and by-product credits of \$5.50/cwt., then the gross cost of the carcass, to the packer, is \$68.85/cwt. (i.e. \$74.35/cwt. less \$5.50/cwt.). To calculate the out-of-pocket cost of this carcass, the labour cost or running cost is added to the gross cost, i.e. \$68.85/cwt. plus \$2.25/cwt. for an out-of-pocket cost of \$71.10/cwt. This is the minimum price packers must receive at their door for carcasses produced from live cattle with a long cost of \$74.35/cwt. in order to keep operating in the short run. If packers do not receive this price, they must either lower their offering price for live cattle (i.e. lower long cost) or lay off killing floor labour (i.e. reduce running costs). This out of pocket cost of \$71.10/cwt. in Southern Alberta translates to \$77.25/cwt. price in Montreal. To cover all his costs, including overhead, he must receive \$77.25/cwt. plus \$2.75/cwt. or \$80./cwt. in Montreal.

In summary:

Live price	Al,2 Steer, Alberta	\$42.38/cwt.
Long Cost	Live Price $\div$ yield (\$42.38 $\div$ 0.57)	\$74.35/cwt.
Gross Cost	Long Cost less by-products (\$74.35 - \$5.50)	\$68.85/cwt.
Out of pocket cost (S. Alberta)	Gross Cost Plus labour (68.85 + 2.25)	\$71.10/cwt.
Out of pocket cost (Montreal)	Out of pocket (S.A.) + freight (71.10 + 6.15)	\$77.25/cwt.
Total cost (S. Alberta)	Out of pocket (S.A.) + overhead (71.10 + 2.75)	\$73.85/cwt.
Total cost (Montreal)	Out of pocket Montreal plus overhead (77.25 + 2.75)	\$80.00/cwt.

As a general rule, in the short run, a packer will operate if out of pocket expenses (variable costs) are met. Otherwise, he minimizes losses by shutting down completely. In the long run, he must also cover his overhead costs or close the plant since it is losing money.

Packers bid on live cattle based on "expected" carcass and by-product prices. They receive actual prices for carcasses and by-products only when they are sold. Because of this risk, they may attempt to bid lower for cattle. On the other hand, if kill levels drop, the running and overhead costs per hundredweight rise sharply. In order to maintain kill levels, packers can bid considerably higher for cattle in the short run than the breakeven price based on the out of pocket cost it would warrant.

## B. BEEF PROCESSING AND MARKETING

### 1. MEAT PACKERS

Meat packers represent the first link in the beef marketing chain. Moreover, they represent a focal point in the marketing chain providing the transformation of live animals into beef carcasses which can be readily processed into a consumer product. Although their prime function is the slaughter of cattle to produce carcass beef, they have an important ancilliary function of producing and processing by-products.

As the meat packing industry developed during the late 1800's and early 1900's, large integrated plants evolved. These were multi-story buildings in which many operations were conducted. Such a plant slaughtered all types of livestock, processed inedible and edible by-products (such processing included hide curing) and produced variety meats in the processing kitchens. They were generally located adjacent to the livestock markets which in turn had been built near the railroads. In Canada, plants were built near the livestock yards in Toronto, Montreal, Edmonton and Winnipeg. Examples are the Canada Packers plants in Toronto, Winnipeg and Edmonton and Palmont Packers in Montreal. At present, many of these plants have either been closed or face substantial expenditure for modernization.

In recent years, there has been a significant change in the location and type of packing plants being built in Canada. Meat packing plants, particularly beef packing plants, were constructed at the source of the livestock (i.e. for cattle, in the Prairie Provinces, specifically Southern Alberta). Such plants specialize in killing a uniform type of cattle and shipping out the carcass almost immediately. They were nicknamed "kill, chill and ship" packing plants. These plants do little by-product processing, contain limited breaking facilities and have no manufacturing kitchens for sausages, bologna, etc. Such plants are a small, more intense operation than the integrated plants and work on the principle of high turnover.

### Slaughtering

The physical operation of slaughtering is performed on a production line basis. Cattle are first stunned and immediately hung by a leg to a continually moving over-head rail system and bled. The animal is then put through a dressing process. It is skinned, eviscerated, trimmed and cut into sides and shrouded. The carcasses are then moved into a cooler to reduce the body heat to just above freezing. The cattle are shrouded before chilling so that the fat will harden uniformly on the carcass to give good appearance and smooth its surface for grading. The carcass must be cooled to retard bacterial development and to permit the best possible conditions for any further processing that may take place on the carcass. By-products are collected and further processed as required.

The Canadian Federal Government, in particular Agriculture Canada, provides a carcass inspection by its Health of Animals Branch and carcass grading by its Production and Marketing Branch to packing plants meeting specific health regulations. The meat inspectors, under the supervision of veterinarians are on site during slaughter and upon examination condemn whole or partial carcasses not considered wholesome. Carcass grading is performed in the cooler the morning after slaughter. All graded and/or inspected carcasses are stamped and all carcasses officially graded are branded.

Beef is aged, which is an enzymatic process to break down the connective tissue, thereby tenderizing and improving eating quality. Scientifically controlled tests show that aging at least six days is desirable, however, many retailers prefer a longer period. This aging process starts from the time of slaughter so that a carcass has aged almost 24 hours by the time it is graded. The remaining days of aging are acquired during storage, processing and transportation to the final consumer. The aging function becomes the responsibility of all sectors of the beef marketing chain.

#### Processing

A carcass must be processed into primal cuts and finally into retail cuts before reaching the consumer. Traditionally, retail butchers have performed this function. However, there has been an increase in processing or "breaking" of carcasses at the packer and wholesale level. There are three general levels of breaking, i.e. primals, sub-primal and counter or retail ready. Sides or quarters, referred to as carcass beef, are cut into primals. The hind produces the loin, hip and flank, the front produces the rib, chuck, shank, brisket and plate. Each of these primals may be further reduced into individual cuts or into processing beef.

A new development in the beef marketing system is for further than primal processing at the packer level. This centralized processing produces sub-primals using an assembly line process then vacuum packs them in a cryovac type film, or simply boxes them, adding CO<sub>2</sub> pellets. These cuts, termed boxed beef, are ready to be shipped to retailers.

This provides the retailer with block-ready cuts freeing him from all but the final stages of butchering. The packers make better utilization of labour, facilities and fat, bones and trim, thus reducing costs of preparation. Transportation costs are cheaper as bone and trim are left at the plant where it can be converted into edible by-products. Shelf life is also longer enabling individual cuts to be used as required thus providing the retailer with a more flexible use of inventory.

### Labour and Capital Conditions

The physical activity of the packing house industry is relatively labour intensive and employs a wide range of skills. This labour is unionized in plants of the major chains and large independents. Industry-wide contracts ensure competitive wages, guaranteed minimum of hours weekly and contain ranking provisions for lay-off. These features make labour a semi-fixed input in the short run, decreasing the flexibility in altering the level of daily kills while providing an incentive to keep kill levels up to minimize losses due to unused labour.

Each job performed in the packing plant is given a classification and is paid accordingly. The kill floor assembly line is geared to kill so many head per day according to the labour input. If the market situation appears poor, i.e. live cattle are too expensive relative to carcass prices producing a loss situation, the normal procedure is to reduce the kill and lay-off employees thus reducing costs. However, in many instances, under contract procedure, a determined number of days notice must be given to the staff with progressively more and more days notice for senior staff. The jobs of the more senior personnel may be changed to spread out the assembly line, but the contract requires that they must be paid at their old job rate for a prescribed time.

The very fact that there is flexibility in the use of labour in packing plants, after a short period, allows plants to operate at a number of output levels with minimal changes in per unit costs. From the high to the low of this range is commonly called the excess capacity of slaughter plants. Therefore, the common argument that with excess capacity processing costs are higher may not necessarily always be valid.

A packing house is very expensive to construct and equip. The more operations involved (such as further processing), the relatively more expensive the plant becomes. Including land, construction and equipment, the cost of a medium-sized plant (e.g. 200 head per day) with boxing facilities would be approximately \$5 million, according to industry estimates. Simply to add a boxing plant to an existing "kill, chill and ship" plant of this size would be \$2 million for plant and equipment costs. Labour requirements would be an additional 20 men. A plant slaughtering 500 head per day would cost approximately \$8 million, of which \$3.2 million would be for the boxing operation.

### Structure of the Meat Packing Industry<sup>18</sup>

Canadian meat packers produce approximately 95 percent of the carcass beef consumed in Canada. In 1974, beef production was estimated at 19.9 million cwt. Plants under federal inspection produced 16.8 million cwt.

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<sup>18</sup> Data in this section are obtained from Agriculture Canada. Individual firm records were obtained from plant gradings data. Data are only from inspected plants.



in 1974, an increase of 900,000 cwt. from 1971.<sup>19</sup> This production included both domestic and imported cattle slaughtered in Canada.

Canada's beef kill is currently related to the location of production rather than population, as was historically more common. Table 28<sup>20</sup> shows that in 1974, the largest percentage of the kill, 62.2 percent, was in the Prairie provinces, where approximately 20 percent of Canada's population is situated. Alberta accounted for 37.8 percent of Canada's slaughter but its 1.7 million inhabitants accounts for only 8 percent of Canada's population making it the largest surplus area. The Ontario market is the only approximately self-sufficient market with 36 percent of the population and 29.5 percent of the kill.

In the span of years between 1960 and 1974, Alberta has been the recipient of the majority of new plant construction. Its share of the Canadian kill has moved up dramatically from 22.6 percent in 1960 to 37.8 percent in 1974. This growth has been at the expense of Ontario, Quebec and B.C. packing plants. Manitoba's share has remained stable, reflecting its position as an assembly point for eastward live cattle movements.

The ownership of meat packing facilities rests basically with two groups, the major packers and the independents. The major packers, Canada Packers, Burns, Swift's and Intercontinental are large multi-plant firms. Most of their plants, with the exception of those recently constructed, are the old, large integrated type, and slaughter most forms of domestic livestock. These firms tend to be vertically integrated forward into meat products and by-products as well as producing many other food and nonfood items. The major packers are Canadian owned with the exception of Swift's which is a wholly owned subsidiary of its U.S. parent corporation.

The independents are, with the exception of Gainers and Schneiders, one firm plants. They are generally concentrated on beef slaughter and/or pork slaughter. Some independents also perform custom slaughtering. A few packers have combined in the use of a common kill floor and buildings with each packer marketing his own carcasses. The prime example of such an operation is the Beef Terminal in Toronto, which houses Wm. Puddy Beef, Sterling Packers and Town Packers. Independents as a group are generally not vertically integrated into meat processing or by-product processing.

The major packers have controlled more than 50 percent of beef slaughter since 1960 (see Table 29). Their position eroded only slightly from 61.0 percent in 1960 to 59.3 percent of the kill in 1974. Their lowest share of kill, 52.8 percent, occurred in 1970.<sup>21</sup> The major packers

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<sup>19</sup> Agriculture Canada statistics are for federally inspected plants only. These plants represented 82 percent of Canada's estimated 1974 beef kill.

<sup>20</sup> All tables are located in the appendix.

<sup>21</sup> The 1970's brought increased investment in new plants and take-overs of independents such as Burns' takeover of Canadian Dressed Meats, Alberta Western Meats and Pool Packers.

dominated the prairie markets in 1974 with 74.9 percent of Alberta's kill, 92.4 percent of Saskatchewan's kill and 78.0 percent of Manitoba's kill. Their position has been eroded severely in B.C., Quebec and the Atlantic Provinces, suggesting a conscientious policy to relocate in the supply areas. Their most significant change is the loss of share in the large Ontario market, 43.0 percent in 1971 to 32.3 percent in 1974.

Independent packers, conversely, have the largest percentage of kill in B.C., Quebec and the Atlantic Provinces. However, their strength lies in the large production areas of Alberta and Ontario. Independents have maintained their position in the rapidly expanding Alberta market and have increased their share of the kill in the Ontario market over the 1971-74 period from 57.0 percent to 67.7 percent.

Packing plants have a large range in size.<sup>22</sup> Plants surveyed ranged from those of less than 50,000 cwt. of output per year to those of more than 500,000 cwt., or more than 10 times the output (Tables 30 and 31). In 1974, the majority of plants, 98 out of 128, were classed as small (less than 50,000 cwt.) and medium (between 50,000 cwt. and 250,000 cwt.). Of the remainder, 12 out of 128 had outputs of more than 500,000 cwt.

The size of the plant is usually correlated to the size of the market, with Ontario, Alberta and Manitoba all having medium and large plants, while B.C. and the Maritimes have only small and medium plants and Saskatchewan and Quebec have a few large plants. The major packers have the predominance of large plants reflecting their ownership of old integrated plants (see Table 32).

The majority of packing plants have increased their output from 1970 to 1974,<sup>23</sup> suggesting that some excess capacity may have previously existed. Table 33 shows that 57 out of 82 plants (69.6 percent) produced the same or more beef in 1974 as in 1970. Twenty-five out of 82 (30.5 percent)<sup>24</sup> increased their production by more than 50 percent during the period. Each market showed plants with such increased production. Manitoba had all eight plants showing increases. Alberta had 10 firms out of 12 (84 percent) showing production gains in the West. In Eastern Canada, Ontario had 25 out of 31 plants (81 percent) in this position.

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<sup>22</sup> Plant production in carcass weight figures were attained by multiplying Federally inspected kill figures of individual plants by the average slaughter weight for the year.

<sup>23</sup> 1974 figures were not available for many of the smallest plants thus biasing our sample to growth of large firms.

<sup>24</sup> Comparisons are on a converted carcass weight basis, not on a number of head basis.



In Ontario, large firms showed little or no change in output between 1970 and 1974, indicating a mature market. Variation in growth was at the small and medium plant size (see Table 34). In contrast, large Alberta plants showed increases and decreases of production indicating that there is some excess capacity and that competition is keen (see Table 35).

The plants of major packers showed comparatively higher growth rates to that of independents, indicating that they were well established in traditional markets and that they had expanded successfully in others. Independents showed great variation in growth rate indicating a particular firm's ability or inability to operate and compete in the same markets as the majors. (Tables 36 and 37 show that only three out of 21 (14.3 percent) major chain plants had declining production compared to 22 out of 61 (36.1 percent) of the independent plants. Also, the major packers had eight out of 21 plants (38.1 percent) with increased production of more than 50 percent for the period compared to only 17 out of 61 (27.9 percent) independent plants. Both distributed gains and losses over all sizes of plant.

#### Degree of Processing

Canadian packing plants do very little processing.<sup>25</sup> The majority of any processing that is done is only to the primal state. Carcass shipments represented 9.5 million cwt. or 76.4 percent of the 12.4 million cwt. of shipments made by the packers sampled. Primal shipments represented 2.3 million cwt. or 18.8 percent of total shipments. The remaining 4.8 percent of shipments consisted of boxed beef, HRI cuts and manufacturing beef.

The above figures clearly demonstrate that carcasses are the dominant form of a packing plant's shipments. In the sample, 39 out of 51 firms shipped at least 50 percent carcasses (see Table 39). "Kill, chill and ship" plants, those shipping more than 85 percent carcasses, numbered 13. These plants were dominant in Southern Alberta and Saskatchewan. Ontario and Manitoba process comparatively more carcasses into primals than other regions. The inclusion of primals as shipments saw 38 firms out of 51 shipping at least 85 percent of its product in these forms (see Table 40). In Southern Alberta, all eleven plants were in this category and in Ontario 15 plants out of 17 plants were placed there.

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<sup>25</sup> Processing data was obtained from the packer questionnaire. Table 38 indicates that the sample of firms surveyed accounted for more than 85 percent of the 1973 and 1974 Federally inspected kills.

Most of the "kill, chill and ship" plants of Alberta are owned by the major packers. Table 41 shows that six out of nine major packer-owned plants shipped 85 percent of their product in carcass form compared to only three out of six of the independently owned plants. Major packers can send carcasses on to their branch houses for processing. Independents, on the other hand, tend to have to break more carcasses at the plant level into primals to move products as they are not integrated forward into the distribution of beef.<sup>26</sup> Size of plant is not strongly correlated to degree of primal processing in Alberta or Ontario (see Table 42).

Canadian packing plants had not taken any large steps to convert to boxed beef by 1974. Only seven out of 51 firms surveyed produced boxed beef (see Table 43). Of these seven plants, only two shipped more than 10 percent of their output in that form. The major packers are the most heavily involved in boxed beef, owning both of the plants shipping more than 10 percent of boxed beef and five out of the seven plants with boxed beef shipments. Boxed beef operations have tended to be installed in the medium-sized plants and the large sized plants.

#### Pricing of Beef

The price indicator of a commodity is given for its most commonly traded form. In the beef sales by packers, this is the carcass as described in the previous section. As suppliers of carcasses, the packers are intimately involved in the carcass price-setting mechanism. The largest deficit area is Montreal and consequently it absorbs a great portion of beef in carcass form shipped from the surplus Prairie region. Carcass price establishment, as determined by packers and the Montreal purchasers has been explained in an earlier section.

#### Barriers to Entry

The meat packing industry has substantial barriers to entry. Establishment of the physical plant is very expensive as previously mentioned. Recruiting or training of an experienced reliable labour force is very difficult. Even when the plant and labour are assembled, there may be difficulty in acquiring an adequate supply of cattle and/or a market for the beef produced, especially for an independent packer. A new plant must bid against established firms to acquire cattle. As a newcomer, buyers may initially have to pay more than the going rate to attract cattle in private treaty sales.

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<sup>26</sup> This wholesaler function of processing is described more fully in the wholesale section.

On the marketing side, a new plant could have trouble establishing its product with the trade for several reasons. In the Prairies, a new plant would have to sell into Montreal or locally to the large chain, Safeway. The well-established wholesalers and retailers might refuse to purchase from the new firm or purchase only at a discount until the firm proved that its product was of suitable quality. The initial start of operations usually produces poor cutability, improper treatment and handling procedures that hinder the plant's marketing of output. Time and money would be required to correct such problems.

The meat packing industry would seem to be moving towards further central processing. Any new plants must consider the added capital outlay for the possible installation of a block-ready operation compared to the cost of a "kill, chill and ship" plant. Another barrier to entry is conforming to Canadian health regulations if beef is to be marketed interprovincially or to large retailers demanding inspected beef. Keeping the plant up to standards adds to both fixed and running costs. Furthermore, if Canadian plants wish to export beef to the U.S., they must also meet U.S. standards (compliance to both sets of regulations may be an extra expense).

#### Summary

Canadian beef slaughter location is currently related to areas of production rather than to areas of consumption. New construction features specialized "kill, chill and ship" type plants replacing the antiquated integrated plants. Major packers continue to control the majority of the total kill, although independents are making inroads in the large Alberta and Ontario markets.

Packing plants are still primarily carcass and primal shippers. Carcass shipping is prevalent from the Alberta "kill, chill and ship" plants while more primary processing occurs in Ontario. The move to more fully processed product, i.e. boxed beef, has been hesitant, especially among the majority of independently-owned plants.

## 2. BY-PRODUCTS PROCESSORS

A steer of 1,000 lb. live weight at time of slaughter is expected to yield 570 lb. of carcass on average.<sup>27</sup> The 430 lb. difference is comprised of two components: processable by-products and shrink. By-products are those items from slaughtered cattle that are not sold as part of the carcass but that can be processed for other varied purposes. "Shrink" is a trade term for that amount of weight lost through evaporation of body liquids, processing and wastage. From the 430 lb. of by-products and shrink, the packer produces an average 242 lb. of saleable by-products. There are two basic types of by-products produced: edible by-products for human consumption and inedible by-products for animal feed, leather and soaps, etc.

### Types of By-Product

The basic edible by-products are edible tallow and fancy meats. Edible tallow is produced by melting down (rendering) fats classified as fit for human consumption under Canadian health inspection. About 14 lb. of edible tallows are produced for use primarily in margarine and cooking oils. The second group of edible products consists of 45 lb. of fancy meats or offal. The fancy meats include the large organs such as the liver, heart, tongue, kidney, brains and various pieces of specialty meats such as sweet breads, cheek and head meats from the non-carcass area of the body. Another relatively new edible by-product is plasma obtained from centrifuging blood. Nine lb. of plasma can be produced for use in sausage production.

The inedible by-products produced from a live animal are the hide, weighing approximately 65 lb, a small amount of highly concentrated 80 percent protein blood meal (about 3.6 lb.), and the two products from rendering the inedible fat, meat and bones, producing approximately 63.5 lb. of liquid inedible tallow and 40.8 lb. of 50 percent protein bone and meat meal. The hide is tanned and produces leather products, the blood and the bone and meat meal are used as protein concentrates in animal feeds and the inedible tallows are used in the soap industry or exported.

When the 570 lb. carcass is finally reduced to retail cuts weighing 428 lb. there is a further fat, bone and shrink loss of 142 lb. Of this loss, some is edible fat that is mixed at the retail level with lean, boneless beef to produce hamburger with the desired fat content. Some bones are used for soup bones. The remaining fat and bone is<sup>28</sup> classified inedible and will be processed as inedible renderings.

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<sup>27</sup> Commission of Inquiry into the Marketing of Beef, Research report No. 2, Farm to Retail Price Spreads for Beef in Canada (Information Canada, February, 1976)

<sup>28</sup> Fat and trim from processing done at federally inspected packer and wholesale facilities, including retailer-owned central processing plants, are classified edible.

### By-Product Processing

To use by-products from cattle slaughter, further basic processing functions must be carried out. These processes are done either at the packing plant or by independent processing units. The major by-product process is rendering of both edible and inedible fats, meats and bones to produce inedible and edible tallow and meat and bone meal. Another process is the curing of hides in a brine solution for preservation until use in tanning. The third general operation is the cleaning, preparing, packaging and often freezing of the fancy meats for human consumption.

Traditionally, the preparation of fancy meats for distribution is done at the packer level as these products are handled quite similarly to carcass beef. The only exception occurs when a packer custom slaughters and the customer collects the offal.

Both inedible and edible by-products must be rendered in high volumes to be economically feasible. Therefore, only the large major packer or large independent plants can maintain rendering systems. The alternative is to have independent companies collect by-products from a number of small packers for rendering in a central system.<sup>29</sup> This is the pattern of rendering that has developed in Canada. The basic disadvantage of independent renderers is that they cannot do edible rendering under Health of Animals Regulations and therefore, small packers that use their services lose out on producing the edible, more profitable tallows from their by-products.

Curing of hides also must be a large-scale operation to be efficient. Generally only large plants will cure their own hides. Smaller plants have two operations. They can deliver green hides to tanners to be used immediately in the leather-making process or they can deliver hides to processors for tanning.

The major packers are the only firms that are fully vertically integrated in by-product processing. They process, package and distribute edible offal through their marketing system, both domestic and export, render both inedible and edible by-products, and cure and sell their own hides if it is most profitable. These firms, particularly Swifts and Canada Packers, are integrated further through the production of margarine and shortening from their own edible tallows and production of fertilizers and feeds from products on inedible rendering. Finally, Canada Packers is integrated to the point of owning tanneries.<sup>30</sup>

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<sup>29</sup> As an added source of product, independents and major packers will collect fat and trim from retailers and others for inedible renderings.

<sup>30</sup> Their ownership of tanneries was a subject of an official government investigation: Restrictive Trade Practices Commission, Report Combines Investigation Act, Ontario, 1961.

A vertically integrated company obviously has a source of product from its own kill as well as competing for product from other plants. Independent renderers, on the other hand, generally have only the source of offal from smaller packing plants that have chosen not to have their own rendering facilities. There are, however, other sources of products that can be rendered. Cuttings and trimmings, i.e. fat and bones that are not useable at the retail level, can be collected. Used cooking greases and sediment can be obtained from fast food institutions. Another source is fleshings, the fat deposits that remain attached to the hide when it is lifted, but must be removed before it is tanned.

#### Market for By-Products

The market for most by-products is generally both domestic and international. The international market, or at least the North American market, normally determines the price at which by-products will sell. One of the biggest influences on the international price of by-products is the Chicago futures and cash markets for by-products and their substitutes. These markets are the focus of North American and international trading in products of agricultural production.

The Chicago futures and cash markets operate using base pricing points situated in the area surrounding Chicago. This, in effect, means that market prices quoted are prices for those goods delivered to Chicago. Any seller on this market must pay the price of moving the product to this base position to obtain the full price quoted in the Chicago market. On the other hand, any buyer of product from Chicago must pay to have the product moved from Chicago to his area of use. Buyers and sellers located outside Chicago bargain to see who gains transportation benefits. As Canada produces surplus by-products, the bargaining position for sales on the North American market is relatively weaker than for the buyer, i.e. a buyer's market. This has the effect of forcing prices down to a Chicago minus transportation position. For Canada, the price base for by-products has become the Toronto market as traditionally packing houses were located in the Toronto area and secondary industries using these by-products grew up around this supply. Also, Toronto and southern Ontario is an area of high population density and therefore, provides a market for either the raw products or the finished processed products. The Toronto price is generally the Chicago price minus the cost of freight from Chicago to Toronto. The discounting from the Chicago price is a result of Canada's net surplus position.

As Toronto is the basing point for Canadian by-product sales, by-products from plants outside Toronto are generally valued at the Toronto price minus the cost of shipment to Toronto. A by-product producer's basic alternative is to ship to Chicago. However, in most of Canada, freight to Toronto is generally lower than freight to Chicago due to the lack of north-south transportation facilities and competitive rates. Alternatives to the Toronto market are the sizeable Japanese, Chinese and EEC markets. Often, the former's influence may raise by-product prices on the West Coast above the Toronto minus freight level.



Markets for each of the particular by-products have their own individual characteristics. The market for edible tallow is both domestic and international. As this tallow is used in the production of margarine and shortening and is an edible oil, it competes with other substitute products such as soy oil, palm oil and rapeseed oil. The key market indicators of edible oil prices are the Chicago and Toronto prices of soy bean oil and/or soybeans themselves. Edible tallow prices in Canada most often maintain a proportionate value to those prices again in relationship to the Toronto market.

The market for fancy meats is also both domestic and international. Some fancy meats are marketed almost exclusively in Canada, while others are primarily sold on the export market. Livers, for instance, have a relatively greater market in Canada than other organs such as hearts, kidneys and tongue. Prices are based on a Toronto market minus freight but may be influenced by local market conditions.

The by-products produced from inedible renderings, i.e. inedible tallows and meat and bone meal, are marketed both domestically and internationally. Inedible tallows used for soap, candles and other manufactured feeds are more export oriented than the meat and bone meal. The market for inedible tallow is determined by the Chicago market for tallow and substitutes that can be used to replace inedible tallows, especially in feeds. Pressures from overseas markets, such as Japan and the Republic of China, will periodically influence the Vancouver market and thus create an alternative source to the Toronto market.

Bone and meat meal prices are affected by international feedgrain and protein prices, although most consumption occurs in Canada. The major feedgrain and protein sources in the international trade are corn and soybeans respectively. Both of these commodities trade on the Chicago exchange. Other substitutes trade at a price relative to corn and soybeans. Canadian substitutes for soy meal and corn include barley, feed wheat and rapeseed meal and are generally priced relative to a Chicago minus freight base price system. Purchasers of meat and bone meal will pay no higher than the relative value of this meal compared to other substitutes, so meat and bone meal follows the Chicago prices.

The market for hides, the most valuable of the by-products, is definitely international in scope. Hides are used for various commercial products, the particular use determined by the quality of the hide. The market for leather products is in areas of dense population such as South East Asia and Europe. The supply of hides, on the other hand, comes from areas that are large producers of cattle and relatively sparsely populated. Such areas include North America, South America and Australia. As an example, Canada processes one third of its hides domestically and exports the remainder.

The hides from Canadian cattle do not fulfill all the demands for the various types of leathers required on the Canadian commercial leather market. Tanners must import hides of the quantity and quality not available from Canadian production. However, the net position of trade in hides still leave Canada as a net exporter. In 1973, Canada exported 2,239 thousand cattle hides and imported 955 thousand cattle hides for a net export surplus of 1,284 thousand.<sup>31</sup> In 1974, Canada exported 2,184 thousand cattle hides, imported 1,100 cattle hides for a net export surplus of 1,084 thousand.

Hides are valued by the sex and age of the animal, the weight of the individual hide and whether or not the hide is branded. The best hide is specified to be light native steer, of light relative weight from a young, unbranded steer or heifer. Discounts vary according to market conditions for other classes of hides described as heavy, cow and/or branded. The hides produced in Western Canada, especially Alberta, tend to be branded, heavy and scarred by cattle ranging. As one moves eastward, hides are of better quality as less branding is done. A high proportion of Canadian hides exported are heavy branded hides. Imports are usually of the high valued light native steer type originating from the American midwest and Texas.

The price of hides for the North American market, the market of relevance to Canada, uses the U.S. midwest as a basing point. As Canada is a surplus producer, hides generally command only a U.S. minus freight price. The domestic demand for hides is centred in Toronto where most hides are tanned. The Canadian price basing point is Toronto with a resulting Toronto minus freight price for hides from outside Toronto. Two market factors contradicting this general system are the effects of export demand from Japan and the local effect in the Winnipeg market of a relatively large tannery.

Trading of hides is based on cured hides as that is the most economical condition for handling and distribution. Green hides can be used only in those instances where a tanner and packer work on a daily basis. However, green hides are of less value than a cured hide. The major packers generally trade hides through their own company or a subsidiary company and have links with international export agents and brokers.

#### Ownership of By-Product Processing

The major packers, with minor exception, have both edible and inedible rendering at all of their packing plants. Some large branch houses also have this equipment. Also, Swift's own Canada's largest independent rendering firm located in Montreal. Large independent packers may or may not have edible or inedible rendering depending on their particular situation. There are independent renderers as well as

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<sup>31</sup> Statistics Canada, Exports by Commodities, 1973, Exports by Commodities, 1974, Imports by Commodities, 1973, Imports by Commodities, 1974. (Information Canada)



packers that render in key areas such as Montreal, Toronto, Winnipeg, Calgary, Edmonton and Vancouver which compete to service these packers without rendering facilities and to pick up trimmings and bones from the retail sector. These plants, as well as the packer plants, also render pork, sheep and poultry by-products. In the hide business, most plants cure hides unless they have an agreement with a hide processor to do the curing. In some cases, the hide processor will be a subsidiary of a packing plant such as in Calgary where Burns own the only major and independent hide processor. Canada Packers is the only major packer with tanning interests.

#### Barriers to Entry

The two biggest barriers to entry in the rendering business are the availability of a dependable supply of by-product material to the plant and the necessity for heavy capital investments in a high through-put plant along with an adequate supply of energy and water. Combined with this is the high cost of increasingly stricter environmental controls demanded by governments.

Regarding the first barrier, there is presently some indecision by independent renderers as to further expansion and location of any rendering. The advent of boxed beef will have a two-fold effect on such renderers. First, the movement of boxed beef to the point of origin will reduce the amount of trimmings and fat available from retailers at the consumption end of the chain. Secondly, with packers moving into boxed beef, they will be able to use a higher proportion of the resulting by-products from the plant at their own rendering facilities. A particular example occurs in the Vancouver area where packing plants have shut down, reducing the amount of renderable material available. The kill has shifted to Alberta where packers have their own equipment. A further development is boxed beef processing in Alberta by large West Coast retailers. Bones and trimmings from their production are now available for processing in Alberta rather than in the Vancouver area.

The concentration of rendering and hide processing facilities in the hands of a relatively few large major packers and large independent operators could affect the ability of independent packers to get a fair price for raw product and green hides. This situation becomes more pronounced in areas where small independent packers must sell to the only buyer who is packer owned. On the other hand, the concentration of production by the larger packers produces sufficiently large volumes of finished product to ensure a fair price on the international market. The result of these two factors could mean relatively poorer returns to smaller independent packers for their by-products and, in turn, less credits for live purchases and, thus, a relatively less advantageous position than large packers for purchasing slaughter cattle on the open market.

### 3. BEEF WHOLESALERS

In beef marketing, the term wholesaler is generally used to describe independently-owned wholesalers operating in the Montreal carcass market. However, the term wholesaler has much broader application. In its broadest sense, beef wholesaling includes all the activities involved in moving beef in carcass form from the packer's cooler to beef in sub-primal form at the retail outlet. For Commission purposes, a wholesaler is a firm or plant of a firm that is involved solely in all or any of the wholesaling function in facilities that are not generally used for packing house or retail functions. Purveyors are considered a specialized type of wholesaler and are described more fully in a following section.

#### Physical Activities

Traditionally, the wholesaling function has been restricted to carcass distribution from the packer to the retail outlet with processing into sub-primal and counter-ready cuts being part of the retail store operation. Over time, however, more "breaking" of cattle into primals or sub-primals and even further processing has been done at the wholesale level, as a result of changes in retail store operations. Wholesaler firms are now functioning as processors as well as distributors.

In this new expanded role, the type of activities performed in the wholesaling sector range from distributing beef carcasses direct to retail outlets to the preparation of sub-primal cuts or boxed beef for distribution to these outlets. Generally, wholesaling is some combination of these activities. Specifically, wholesaling functions are distribution, breaking, boning and central processing, the latter three representing some form of processing while distribution is strictly a turn-over situation with no processing.

Central processing to sub-primal cuts is the most complete form of processing presently in use. Breaking is simply the reduction of carcasses into primal cuts, i.e. hips, chucks, ribs, loins, flanks, plates and briskets. Boning is a relatively specialized function of removing bones from carcasses, particularly cows, bulls and "off-grade" steers and heifers, to produce boneless cuts and grinding beef. The degree of processing required at the wholesale level is a reflection of the buying policies of dominant retailers in a particular market.

Processing of a carcass requires the processor to "balance" the sale of all cuts produced from processing and to provide skilled labour to butcher the carcass. Both of these activities can present particular expenses and/or disadvantages to the processor. "Balancing" is the process of merchandising all cuts from the carcass in an effort to produce sufficient revenue from their sale to cover costs of purchasing, preparing and selling that beef. While some cuts are more easily merchandised than others, all cuts must be sold. The revenue from the individual cuts must be greater than the cost of the carcass, its preparation and sale. When a processor is in an "unbalanced" position of having moved proportionately more of one type of cut than others, he risks having to either sell the product at distress prices or freeze it before it spoils knowing that frozen cuts are generally heavily discounted from fresh beef prices.

Butchering carcasses requires skilled labour to obtain the best results in producing retail cuts, i.e, keeping waste and trim to a minimum. Handling of carcasses also requires expensive cutting equipment and other handling facilities, including an over-head rail system. The combined requirement of fully utilizing both the butcher's skills and the capacity of the physical facilities necessitates a certain minimum throughput to be economical.

Traditionally, the above two activities were performed at the retail outlet. However, retail management has begun to see obvious economies in having beef processed on an efficient assembly line basis and having the product "balanced" at the wholesale level with the retail outlets purchasing a processed product in the form of cuts requiring minimum butchering. The retail outlets' dependence on expensive skilled labour is minimized or reduced and they need to take only those cuts that move well to their clientele. Furthermore, they may take "unbalanced" proportions of cuts for "specials". By adopting such purchasing policies, retailers are forcing the wholesale sector to assume responsibility for "balancing". As purely carcass distributors, the wholesalers had passed this responsibility on to the retail sector.

Ancillary to this development for primary or fully processed beef cuts at retail has been the growth in demand for grinding beef to produce hamburger. Individual grocer units preferred purchasing grinding beef already boned-out either in frozen or fresh state. Such product reduced labour requirements, was more sanitary, and was easier to handle and to inventory. In response, individual independent wholesalers began specializing in cow-boning for production of grinding meat.

#### Types of Wholesalers

The wholesaling function is performed by three types of groups of firms: meat packers, retail chains and independents. The extent of involvement of a group is generally determined by the type of market being described. Meat packers can provide the wholesale function in two ways. First, in local markets close to slaughtering plants, they service retailers direct from the plant. Secondly, the major packers have established branch houses or packer wholesaler units in those areas not serviced by one of their slaughtering plants. These houses or units perform a strictly wholesale function which may include processing as well as distribution.

Corporate and voluntary retail chains are integrating backward into the wholesale sector. Such involvement at minimum involves a central warehouse for distribution of carcasses to individual stores. A few retailers, however, have set up their own central processing (boxed beef) facilities. Boeuf Merite, owned by two Quebec voluntary retail chains, and Steinbergs in Ontario, are examples of the former, while Kelly-Douglas in B.C., Safeway in B.C., Alberta and Ontario, Steinbergs in Quebec and Oshawa's Food City in Toronto, are examples of retail stores supplied with boxed beef from their own facilities.

The independent wholesalers have no backward or forward integration within the beef system. They are a unique group primarily situated in the Montreal market. Their specialty ranges from simple distribution and breaking of carcasses for retail outlets, to boning of cows and to supplying specialty products to the HRI trade. Because of their uniqueness they play an important role in the setting of both quality and cow carcass prices for Montreal in particular and Canada in general. The large independent breakers are Lepine-Laurier, Quebec Packers and Hochelaga Western Beef. The dominant cow boners are Phillip Polonsky Ltd. and Muller Meats Ltd., Niagara Falls.

#### Regional Wholesaling Patterns

The wholesaling function is performed differently in each of Canada's regional markets. In the surplus production markets of Alberta, Saskatchewan and Manitoba, the individual packing plants do the majority of wholesaling of their carcasses, including ageing. Retailers are serviced with carcass, primals or boxed beef directly from packing plants. A major exception is Safeway which services its Alberta stores with boxed beef from its own central processing plant.

In the generally self-sufficient market of Southern Ontario, the wholesaling function is provided by a combination of both packing plants and retail wholesalers. This area is serviced by a relatively large number of packers and retailer outlets. The involvement of retailers in wholesaling is a direct reflection of their particular purchasing policy. Packing plants provide distribution, ageing and processing services on an individual store basis. Dominion, Loblaws and I.G.A. receive carcasses and primals direct from packers. However, some boxed beef tests are being run. A&P receives boxed beef directly from the packers. The Oshawa Group services its corporate stores from its own central processing facility. Steinbergs in Ontario operates a warehouse to supply carcass and primal beef to its individual stores. Supplements to this supply are provided by packers on a direct delivery to store basis. Smaller chains and independent stores are generally serviced directly from the packer.

In the Montreal market, the principal deficit market, a more complex blend of wholesaling services and participants have evolved with independent wholesalers performing most of the wholesaling function. On the other hand, there are many retail outlets competing at both the supermarket and small grocer level. Each week a large quantity of beef must be brought in over a long distance as beef slaughtering packing houses are virtually non-existent in the Montreal area. As a result, the wholesaling sector must handle large volumes of incoming beef from comparatively few suppliers for distribution and processing to a large number and variety of customers in small lot orders.

Traditionally, Montreal's wholesaler services have centred upon provision of carcass beef to individual retail outlets. These services were provided by packer branch houses and a large independently-owned wholesaler complex dealing in carcasses received from Western packers. An important but indirect service provided by these wholesalers is the ageing of carcasses. Ageing requires cooling facilities. For the Montreal market, ageing occurs in refrigerated rail cars during transit and unload. A substantial volume of carcasses are left in the cars for one to two days after arriving in Montreal and are then loaded directly into the truck for shipment to retail outlets.

The wholesale sector in Montreal provides a surge capacity for retailers and Western packers while minimizing the need for expensive cooler space. Other services provided by the wholesalers are "breaking" and extra ageing required by particular customers. Special large volume customers are usually given the opportunity of carcass selection from the wholesalers inventory. In some operations such selection occurs during inspection of carcasses hanging in rail cars as wholesalers use their cars to augment their permanent cooler space.

In the late 1960's, some retail chains established their own or subsidiary wholesaler facilities for both economic and management reasons. Steinbergs started into a full boxed beef program supplied from their own processing facilities. When their stores' demand outgrew supply, they supplemented their own production with boxed beef purchases directly from Western Canadian and occasionally U.S. packers. A&P opted to put their stores on a boxed beef program supplied directly from packers in Southern Ontario. Two large voluntary chains, Metro and Richelieu, jointly created Boeuf Merite as a subsidiary to wholesale carcass beef for member stores. Provigo, another voluntary chain, is planning to build a wholesale facility both to distribute carcasses and to house a central processing assembly. The only major chain retaining the traditional buying stance is Dominion Stores although they are experimenting with boxed beef on a small scale.

The wholesaling situation in other deficit markets is generally quite similar to that in Montreal but there are some particular differences. The Maritimes is serviced by local plants, packer branch houses, Montreal independent wholesalers and some retail wholesalers. The B.C. market has moved from being a relatively self-sufficient market to a deficit market as slaughtering facilities closed. No major packer, except Intercontinental, slaughters beef in B.C. and there is a 24-hour deliver service from Alberta Packers. As a result, this market is serviced from Alberta packers or the local Intercontinental directly, and by packer branch houses and retail wholesalers locally. The two largest retail chains, Safeway and Super-Value, have their own boxed beef establishments. Woodward's, the third largest, is purchasing boxed beef from local and Alberta packers and wholesalers.

Individual Wholesaler Ownership, Size and Growth Analysis<sup>32</sup>

By our definition, all carcass beef must be wholesaled in its movement from the packing house to the retail centre. Wholesalers handle a substantial portion of this beef movement. The Commission survey of all known packer branch houses, retail wholesalers and independently-owned wholesalers, including cow boners showed total 1974 receipts by wholesalers of 6.9 million cwt. (see Table 44). This figure represents 41.3 percent of the total beef produced by Canadian federally inspected packers.<sup>33</sup>

There has been both an absolute and relative growth in size of wholesalers from 1971 when wholesalers handled 5.1 million cwt. or 35.7 percent of 16.4 million cwt. of inspected beef production. The compound rate of growth for the 1971-1974 period was 10.5 percent.

The heaviest concentration of wholesalers is in the Montreal area. Montreal wholesalers handled 63.3 percent of total wholesaler receipts in 1971 and 64.6 percent in 1974. Wholesalers in B.C., Alberta, Ontario and the Atlantic Provinces had approximately equal shares of the remaining receipts in 1974. Alberta showed the greatest increase in wholesaler receipts moving from 2.0 percent to 8.1 percent over the three-year period.

Retail chain operated wholesalers had the largest increase in wholesaler beef receipts between 1971 and 1974. This increase came at the expense of packer branch houses and to a lesser extent independents. Table 45 shows that the percentage of receipts accounted for by retailer-owned wholesale units increased from 12.8 percent in 1971 to 28.2 percent in 1974, while the packer branch house share dropped 12.0 percent to 35.1 percent and the independents market share dropped 3.4 percent to 36.7 percent.

In the large Montreal wholesale market, the independent wholesalers' share of wholesaler beef receipts has remained dominant; although it dropped from 60.2 percent in 1971 to 53.2 percent in 1974 (see Table 46). This decrease was absorbed particularly by retail wholesalers.<sup>34</sup>

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<sup>32</sup> Data in this section were obtained from the Commission survey of firms reported above.

<sup>33</sup> Since 10.5 percent of receipts were in processed form, the carcass equivalent level of receipts is more than 42 percent.

<sup>34</sup> Retail and packer-owned plant statistics for Montreal are grouped together to maintain confidentiality.



The size of the Canadian beef wholesalers, as determined by annual beef receipts, ranges from small to very large (Table 47).<sup>35</sup> Montreal wholesalers are generally larger than average Canadian wholesalers with 50 percent of the plants classed as large and 16.7 percent classed as very large in 1974.<sup>36</sup> This compares to 34.6 percent of Canadian wholesalers classified as large and 5.5 percent classed as very large. Montreal has no small wholesalers while 21.8 percent of Canadian wholesalers fell into this group in 1974.

The growth rate of established wholesalers between 1971 and 1974 as measured by total beef receipts has followed different patterns by location, type of ownership and size of plant (see Table 48).<sup>37</sup> Large market share losses occurred at seven plants (representing 13.7 percent of our sample) that received 75 percent or less beef in 1974 as compared to 1971 and at nine plants (17.6 percent) that received between 75 percent to 90 percent of their 1971 total during 1974. However, significant gains were made by seven plants (13.7 percent) that increased beef receipts in 1974 by 25 percent and 50 percent over their 1971 receipts. Five plants (9.8 percent) made large gains by increasing their receipts by more than 50 percent for the period.

In Montreal, there was a lower percentage of declining size plants and a greater percentage of plants with increased receipts than for Canada as a whole (see Table 48). Five plants, representing 31.3 percent of Montreal wholesalers, received the same or less receipts in 1974 as in 1971. However, five plants (31.3 percent) received 25 percent to 50 percent more in 1974 than in 1971 and two plants (12.5 percent) increased their receipts by more than 50 percent between 1971 and 1974.

The growth rate in receipts by packer branch houses did not keep pace with growth in receipts by independents and retail wholesalers. Table 49 shows that 50.1 percent of the packer branch houses received the same or less product in 1974 as in 1971 compared to 25 percent for retailers and 33.4 percent for independents. As the Montreal market

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35 The size ranges include small (less than 25,000 cwt.), medium (25,000 to 100,000 cwt.), large (100,000 to 500,000 cwt.) and very large (more than 500,000 cwt.).

36 Large and very large Montreal plants have receipts greater on average than most total individual packing plant outputs.

37 This measurement assumes that the degree of processing in the product received has remained the same from 1971 to 1974. Any increased use of a more fully processed product decreases the weight received thus biasing the growth rate downward.

is where most independents are located and the wholesale market is dominated by independents, it tended to follow the national trend for independents (see Table 50).

Small and medium-sized plants had individual examples of 1971 to 1974 growth rates bunched in categories at low and high growth rates (see Table 51) suggesting a consolidation of throughput in some plants from a decline in use of others. The large and very large plants, except for two plants, showed growth rates in receipts of at least 10 percent over the period. The majority of these large firms are retail and independently owned and these growth rates confirm the growth of the retail wholesalers and the consolidation of the well established independents in the face of increasing competition. Growth rates for plants in Montreal were better than for Canada as a whole due to the lower concentration of packer branch houses (see Table 52).

#### Wholesaler Involvement in Processing

The involvement of wholesalers in processing is determined by analyzing the form of product received and shipped by wholesalers. Both the Canadian wholesale market and the Montreal wholesale market are analyzed by this method.<sup>38</sup> Receipts of beef include only that beef purchased from Canadian suppliers, while shipments of beef include purchases from both domestic and imported beef suppliers.

The Canadian beef wholesalers surveyed received the largest portion of their input in sides and quarters (carcass form). In 1971, carcasses represented 3.8 million cwt. or 89.7 percent of the total 4.2 million cwt. of beef product received by the wholesalers in our sample. In 1974, carcasses represented 5.4 million cwt. or 89.5 percent of the 6.1 million cwt. of beef product received. The remainder of the product is comprised primarily of primal cuts. In 1971, primals accounted for 318,000 cwt. or 7.5 percent of the receipts and 400,000 cwt. or 6.6 percent in 1974. The remaining receipts are in the form of HRI cuts, boxed beef and/or manufacturing beef.

As would be expected, most plants receive a very high proportion of their receipts in carcass form. The exceptions are a few small-sized

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<sup>38</sup> The sample size in this processing analysis is smaller than for the previous analysis due to a combination of lack of availability of such detailed information and a lack of full co-operation and effort by some firms to complete the relevant sections of the questionnaire. The weakest area is the packer branch house thus, the Montreal section is more complete than the Canadian section.



and medium-sized plants. This pattern was prevalent both in 1971 and 1974 (see Tables 53 and 54). In 1974, only two firms out of 38 received less than 50 percent of their receipts in carcass form. Twenty-nine of the 38 firms received at least 75 percent of their product in this form.

As the remainder of total receipts of the plants were mostly primals, it follows that the majority of firms do receive practically all their receipts as carcasses and primals. Table 55 shows that in 1974, 34 out of 37 firms received at least 85 percent of the product in carcass and/or primal form and 27 out of 37 received at least 95 percent of their product in these forms. The remaining product is in the form of HRI cuts, boxed beef and domestic manufacturing beef. Table 56 indicates that no significant change has occurred since 1971 as all firms received at least 85 percent of their beef in these forms. Montreal wholesalers had similar purchasing habits as 16 out of 17 firms purchased at least 85 percent of their product as carcasses and/or primals and 14 out of 17 purchased at least 95 percent of their beef product in these forms (Table 57).

Independent wholesalers, principally located in Montreal, receive the bulk of their receipts in carcass form. Packer branch houses, on the other hand, receive the most primals with retailer wholesalers receiving a combination of both (see Tables 58-61). Table 58 shows that in 1974, 14 out of 17 independents received 95 percent or more of their receipts as carcasses while only two out of 15 packer branch houses received at least 95 percent of beef receipts in this form.

Virtually all independents receive their total receipts in carcass and/or primal form. Table 60 shows that in 1974, 16 out of 17 independent plants received more than 95 percent of their beef in these forms and the remaining one plant received at least 85 percent in this form. One wholesaler received between 75 percent and 85 percent of its receipts in this form. The remainder of the receipts were principally boxed beef cuts. Eight packer branch houses out of 14 received between 75 to 95 percent of their receipts in carcass and/or primal form. The remaining receipts are principally HRI cuts and domestic manufacturing beef.

#### Form of Wholesaler Shipments

The form of beef shipments indicates that the wholesalers perform both a distributive function and a processing function and that they increased their processing ratio between 1971 and 1974. In 1974, 32.8 percent of the total shipments made by wholesalers in our sample were in carcass form.<sup>39</sup> This compares to 44.2 percent in 1971. Primal

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<sup>39</sup> The number of firms in the size of shipments sample is further reduced from that of the receipts sample due to incomplete questionnaires.

shipments constituted 29.7 percent in 1974. Block-ready boxed beef shipments rose dramatically to 20.3 percent of the 1974 total from 3.0 percent of the 1971 total. Manufacturing beef shipments were relatively stable at 19.0 percent in 1974 and 17.5 percent in 1971.

In 1974, there is a comparatively even distribution of Canadian wholesalers ranked between no shipments of carcasses and all shipments of carcasses (see Table 62). Seven plants out of 35 shipped no carcasses and four plants shipped more than 85 percent of their total in this form. The majority of firms shipped between 33 percent and 75 percent of their output in this form. In 1971, there were only three firms shipping no carcasses and five firms shipping more than 85 percent in carcass form (Table 63).

The small and medium sized firms, acting more as distributors, tended to move a relatively higher proportion of carcasses than the larger firms. Wholesalers in the Montreal market showed much the same pattern of processing as the Canadian wholesalers (Table 64 and 65).

While many of the wholesalers are now processing, the majority process only to the primal stage. In 1974, 17 plants out of 35, representing 48.6 percent of the Canadian sample, shipped more than 85 percent of their product in either carcass and/or primal form (see Table 66). Twenty-three firms (65.8 percent) shipped at least 66.7 percent in either or both forms. In contrast, there were seven firms (30 percent) that distributed no carcasses or primals and four firms (11.4 percent) that shipped less than 33.3 percent in this category. Most of product shipped by these latter plants is either boxed beef or manufacturing beef and to a minor extent HRI cuts.

The degree of processing beyond the primal stage has increased somewhat since 1971 (see Table 67) as comparatively, in 1971, 56.7 percent of the plants shipped 85 percent in carcass and/or primal form and 70.0 percent shipped at least 66.7 percent in these forms. Also, only 10 percent shipped no carcasses and primals and 13.3 percent shipped less than 33.3 percent in that form. In both 1971 and 1974, all small plants shipped virtually their entire output in carcasses and primals. Large and very large plants specialized in either primary processing or full processing but not both. The medium-sized plants had participants between and including the extremes.

The Montreal wholesalers had approximately the same concentration of carcass and primal cut plants as the national average (see Table 68).<sup>40</sup> Fifty percent of the plants shipped at least 85 percent of their output as carcasses and/or primals and 56.3 percent of the sample shipped at least 66.7 percent in this form. The degree of processing by size of firm was similar in Montreal as in Canada.

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<sup>40</sup> Comparisons to 1971 are invalid due to a large change in sample size between years.

Independent wholesalers and retail wholesalers tend to be either strictly distributors of carcasses and processors of primals or strictly full processors past the primal stage (see Table 69). In 1974, eight out of 16 independents (50 percent) were in the former class and seven out of 16 (31.4 percent) were in the latter. Retailers had three out of six or 50 percent in each class. Cow boners such as Phillip Polonsky Ltd. are representative of the independent full processors and Lepine-Laurier is representative of independent distributors. Boxed beef central processors, found only as retail wholesalers, such as Steinbergs in Quebec, are representative of the retail full processors while Boeuf-Merite is a retail distributor. The packer branch houses appear to be more jacks of all trades. They both distribute and process carcasses and primals and provide some services beyond primal processing and distribution of boxed beef. The further processing generally involves the production and distribution of both imported and domestic beef. The Montreal wholesalers follow a similar pattern to the rest of Canada (see Table 70).

#### Price Determination

Wholesalers play a particularly important role in the price determination for both quality and cow beef carcasses.<sup>41</sup> It is at this level that retailer demand and packer supply pressures focus. The Montreal market has traditionally set the wholesale price for carcasses sold by packers to wholesalers with prices in other Canadian markets relating to the weekly carcass price determined in Montreal. As the Montreal price is on a delivered basis, a packer can determine the f.o.b. price by deducting transportation and handling costs to Montreal. The f.o.b. price is then used as a base for selling directly into local or other markets. In Montreal, retailers are then charged a 3 cents/lb. markup over this wholesale price on straight carcasses to pay for services provided by the wholesaler including delivery to the individual outlet.<sup>42</sup>

Traditionally, the major participants in carcass price establishment have been the independent Montreal wholesalers (now banded together in the Independent Meat Packers and Processors Association) and the beef brokers representing the large independent and major Western packers. In the last few years, retail wholesalers, particularly Boeuf-Merite have grown to become major participants also. Packer branch houses play no particular active role in this procedure.

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<sup>41</sup> Comments here apply to the quality beef market. Many of the same participants are involved in determining the weekly cow market price.

<sup>42</sup> A full discussion on the Montreal market appears in another section of this report.

In reality, it is the major packers, and one or two independent packers, one or two large independent wholesalers and one retail wholesaler who actively negotiate in the quality carcass price determination procedure. (Other non-active wholesalers can affect the market by their inactivity in this determination e.g. Steinbergs.) Montreal is the only market with such a distinctive wholesaler characteristic. This, coupled with the traditional dominance of the independents in this market, has led to use by the trade of Montreal independent wholesalers as a synonym for beef wholesalers.

#### Changes in Wholesaler Structure and Conduct

The change in the beef wholesaling function to include more processing combined with increasing retail involvement in wholesaling has changed the structure and conduct of the quality beef wholesaling sector. The independents are finding their position eroding. There is increased pressure on them to cut more cattle and to merchandise the cuts or "balance" the carcass. However, they seem to receive less return for providing this service of breaking or "balancing" than they do for distributing straight carcass beef. Public testimony indicates that while 3 cents/lb. is received for distributing carcasses, most often primals will return closer to 2-2 $\frac{1}{2}$ ¢/lb. and less if it becomes necessary to convert cuts into boneless beef. The indication here is that the independents are in a power squeeze from the retail sector, who are trying to force the balancing and labour problem back to the wholesale sector.

Some retailers wish to purchase only certain easily merchandised primal cuts. This practice creates an imbalance in wholesale beef inventories as some cuts which are hard to sell pile up in inventory. As purchasers become aware that a wholesaler may be "long" in the non-special cuts, they try to bargain for lower prices realizing that cuts can only be kept for the high value fresh market for a short period. The seller's only other alternative is to freeze product. Independents are theoretically most susceptible to this squeeze as they are neither forward nor backward integrated and cannot balance as easily within the organization as large retail and packer chains with multi-branch operations.

With the increased growth of boxed beef, independents would be expected to continue to lose their market share. Boxed beef is being introduced by the packer and retail chains. Movement to boxed beef by a retail outlet customer generally means a reduction in the market share for the independents as the boxed product replacing the carcass beef will either be supplied by packers or processed by the retailer's own wholesale facility. Given the present trend, the structure of the wholesaling sector would seem to be moving towards increased retailer and packing plant wholesale activity including full processing at the cost of the independent's share. The individual growth of the packer and retailer share will be decided by the degree of the central processing adopted by those firms.

Independents have remained strong and dominant in the boning industry. This industry is centred in Eastern Canada, particularly Montreal. Boners are active in purchasing both Western and Eastern live cows for custom slaughter and purchasing cow carcasses from both Western and Eastern Canadian slaughter houses. As a rule, packing plants have not become heavily involved in cow boning. Boneless cuts and grinding meat produced from boning are used fresh or frozen by the fast food industry and for hamburger production. A significant portion of the product is exported to the United States.

#### Barriers to Entry

The barriers to entry into the wholesaling sector for a new independent firm seem quite formidable (unless it is the provision of a relatively small volume specialized function). The basic barrier appears to be the ability to obtain a consistent supply of quality product and/or to develop good, steady customers for such product in the face of established competition. Retailers or packing houses naturally have this partially overcome in that they are backward or forward integrated. In most markets, the wholesaling function is performed by retailers and packers so that an independent would have trouble establishing itself in such company.

The structure of the wholesaling structure sector is changing with increased movement into processing and increased wholesaler involvement by retailers. Retailer chains are in a good position to increase their wholesaling activity both in the Montreal market and other markets. Their buying concentration gives them power in purchasing and is a factor that cannot be ignored. By becoming wholesalers themselves, they have a greater control over the amount and quality of their beef supply and pricing, a position wanted because of the customer drawing power of a good beef merchandising system. The present structure of the industry poses barriers to new non-retailer associated wholesalers but creates a natural refuge for increased retailer participation.

The growth of centralized processing would seem to mitigate against any independent wholesaler involvement in wholesaling except under a custom basis. The adoption rate of such processing by retailers and packers will continue to significantly change the wholesaling function and price determination process. A relatively heavy retail movement into central processing will see a large part of the wholesaling function absorbed through increased retailer involvement in wholesaling (backward integration). Established independents, it would appear, will be fighting for a decreasing share of the wholesaling market unless, perhaps, they move into boxed beef merchandising as distributors.

### Summary

The distributive function is still strong among Canadian wholesalers, particularly among the Montreal independents. However, there is a move to more processing at wholesale particularly primary processing. This increase in processing has resulted in an increase in the responsibility of wholesalers to "balance" beef cuts. All categories of wholesalers are now primary processors. Retail wholesalers have been the innovators moving into what boxed beef production is being done.

The growth of the retail wholesalers is changing the structure of the industry. These wholesalers have increased their market share from independents and packer branch houses through straight competition for the distributive and primary processing business. Also, retailers with boxed beef programs have by-passed their traditional branch house or independent carcass suppliers and are dealing directly with the packer.

#### 4. BEEF BROKERS

A meat broker and more specifically a beef broker, performs the function of negotiating the terms of agreement between buyers and sellers of beef products to complete a sale. The brokers themselves do not take physical possession of the meat, rather they receive a commission paid by the seller for negotiating the sale.

Beef brokers in Canada are often part of a firm that trades other meats, poultry and by-products. A brokerage house trading beef usually specializes in one of two broad market categories, either the domestic market which is predominantly beef carcasses and some cuts; or the international market, predominantly the movement of Oceanic boneless manufacturing beef to Canada. In some cases, brokers work both markets.

The domestic market broker tends to service a specific segment of the beef trade, namely sales between packers, from packers to the independent wholesalers and processors in Montreal and, to a lesser extent, wholesalers in Vancouver, Toronto and other small centres. Manufacturing beef brokers generally arrange sales to beef wholesalers, and to the processed meats and trade as well as handling imports of manufacturing beef for packers.

##### Broker Activities

The basic function of domestic brokers is facilitating sales of carcasses between Western packers and Eastern wholesalers or other packers. While providing this service, they create the main visible forum for the determination of a common steer and cow carcass price. They are instrumental in the establishment of the weekly Montreal carcass price which provides somewhat of a basing price for trade across Canada.<sup>43</sup> In essence, brokers accept offers from packers and receive bids from the wholesalers and proceed to negotiate a settlement. Prior to and during the period of negotiation, the brokers provide market information to both buyers and sellers so that they may each make their best estimate of what the market should be for the week and then reflect that through their individual bids and offers.

Their major clients for which they negotiate sales include the major packers and a few other independent packers that may move meat from West to East either on a regular or spot basis. It is a working agreement that the brokers generally do not deal directly with the retail trade either at the wholesale or retail level. Retailers purchase directly from wholesalers and retail wholesalers deal directly with the packers.<sup>44</sup>

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<sup>43</sup> Results from the Commission's six performance appraisals of the Canadian beef carcass market show that wholesale carcass prices do not on average reflect the Montreal price minus transfer costs.

<sup>44</sup> The exception is Boeuf-Merite which has its own brokerage.



Packers try to enforce this policy by cutting off use of a particular broker if that broker makes the above mentioned transactions.

In representing the packers, the brokers provide the same service that its sales department would provide, for which he receives a 25 cents per hundredweight brokerage or commission. This commission is paid by the seller which in most instances is a packer. The broker usually does not become involved with either the financing or the payment for negotiated shipments. He receives his commission from the seller soon after confirmation of the sale, regardless of the seller-buyer payment arrangements for the purchase or the length of time involved in the seller's obtaining settlement.

The general procedure followed by carcass brokers is quite simple, i.e. matching bids and offers between recognized broker and packer participants. Brokers receive offers from packers. They then proceed to obtain bids from prospective customers, usually independent wholesale buyers in Montreal. After some bargaining, the length and forcefulness of which is determined by the prevailing market situation (i.e. active or sluggish), it is announced that a carload has been traded between a particular recognized buyer and seller. The price of this transaction is established as the weekly price and is accepted by most buyers and sellers as being set.

#### Ownership

In the domestic beef carcass and cuts market, there are two types of beef carcass brokers: the independent brokers who are owned and operated by persons who have no connection with buyers or sellers with whom they deal and those who are subsidiaries of a buying organization, usually a wholesaler. The four largest independent brokers are Ronald A. Chisholm & Co. of Toronto, L.N. Reynolds & Co. of Toronto, Archie L. Wudel, Meat Brokers Ltd. of Calgary, and H. Cleveland & Co. in Vancouver. The Chisholm and Wudel brokerage firms are the most active independent brokerage houses in domestic beef carcasses with Chisholm regarded as the leader. The Reynolds Company is the most active in the Oceanic beef trade.

There are two large brokerage houses in Montreal that are wholly-owned subsidiaries of wholesaler houses. Bourassa Meat Brokerage is a wholly-owned subsidiary of Boeuf-Merite and J. Snyder Brokerage is wholly-owned by Hochelaga Western Beef. The Bourassa Brokerage is active along with the independents in the weekly price determining of the Montreal carcass market. The Snyder Brokerage is considered simply an order taker for Hochelaga.



### Size and Conduct of Brokers

It is estimated that the independent domestic brokers handle sales of approximately 70 cars of steer and cow beef a week or slightly more than 4 million pounds of carcass and cuts and that the wholly-owned domestic brokerages would handle between 20 to 30 cars, or approximately 1.5 million pounds of beef a week. The total weekly domestic carcass supply is approximately 27.5 million pounds and the Montreal market's deficit is near 8 million pounds. About one half of Montreal's incoming movement of 8 million pounds is negotiated through brokers. The active brokers transact more than 80 percent of the total domestic brokerage transactions.<sup>45</sup>

Each broker tends to have a regular clientele with whom he works. The larger packers, i.e. Canada Packers and Burns, tend to offer to all brokers to get the best service from the market. Smaller independent packers tend to have small sales forces, if any, and rely upon brokers for sales service. There has been an increase in broker competition to service the Montreal market, including some recent changes in the Montreal retailers buying practices. For example, there has been the formation of Boeuf-Merite by the Richelieu and Metro LaSalle Group. These two chains now purchase directly from the packer through Boeuf-Merite instead of purchasing through an independent Montreal wholesaler or packer branch house. This trend is continuing with the decision by Provigo to establish its own wholesale warehouse in the near future.

On the seller side, there has been an increase in production from independent packers operating in Alberta. These packers want a share of the Montreal market and because of limited sales staff must use brokers to serve as their selling arm. These packers do not necessarily want the services of established brokerage houses who may have long standing commitments with the major packers. As a result, this has permitted the growth of independent brokerages.

### Imported Beef Trade

Beef brokers involved in international beef trading play a somewhat different role from domestic brokers in that often they actually purchase beef for resale or in effect become dealers. Brokers servicing the Canadian market with Oceanic beef do so in one of two methods as follows:

- (i) The brokerage firms will purchase the beef, then resell it on a fully paid basis including duty and delivery to the purchaser. The broker in this case is a dealer.
- (ii) The broker will arrange to land purchases in Canada without passing it through customs, leaving the buyer responsible to pay for its clearance through customs. The broker, in this case provides a normal brokerage function for which the commission of 0.5 cents per pound.

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<sup>45</sup> Standing orders are dealt with in the section on the Montreal carcass market.

The Reynolds, Cleveland and Chisholm brokerages are involved in importing beef. Chisholms runs an office in Australia for this purpose.

The distinction of whether an import transaction was through a broker or a dealer became important with the establishment of import quotas for dressed beef in August 1974. Quotas were assigned to firms on the basis of their import performance in the previous two years. In a transaction where a brokerage firm simply acted as a broker, the purchaser had to have been assigned a quota to import. In a transaction where a brokerage firm bought and resold the imported beef as a dealer, the brokerage firm had to have been assigned a quota.

The import trade restraints instituted in August 1974, affected the international brokerage houses more than the domestic brokers. The establishment of an overall quota for the import of beef set a ceiling on the total volume brokers, as a group, could handle in any given period. Brokers dealing in carcasses on the domestic market, however, felt few direct effects as cattle generally move into Canada on live, rather than a carcass basis. After these cattle have been slaughtered, they are graded to Canadian specifications.

An area where Canadian brokers may have benefited from the trade restrictions, is the service to purveyors who formerly relied heavily on cuts imported from the American markets. These cuts normally would have been sold by an American broker representing the U.S. seller. Many of these cuts are now coming from Canadian beef and can be sold through the use of Canadian brokerage houses.

#### Summary

In analyzing the future for beef brokers, it would seem that the volume of beef traded by brokers, especially independents, has peaked. First, any further change in the volume will probably be at the expense of the independents being replaced by wholly-owned broker subsidiaries of purchases (such subsidiaries allow purchases to obtain the quarter of a cent per pound brokerage fee, a procedure considered questionable by some of the trade). Movement to centralized processing at the packer level seems likely to adversely effect the volume of carcass beef being handled by brokers. Their salvation will be to become part of the selling of boxed beef or a move away from domestic beef and concentrate on imported beef and/or other products such as poultry, pork, milk powder and by-product offal.

## 5. RETAIL FOOD STORES

Beef retailers sell consumers ready-to-use beef product and, therefore, represent the final link in the beef marketing chain. There are three basic types of beef retailers: retail grocers, HRI outlets and independent butchers. In this section, only retail grocers are analyzed while the HRI trade is covered separately. The comparatively small beef butcher trade has only limited influence on the beef marketing system and has been ignored.

Retail grocers represent, by far, the largest and most powerful segment of the beef retailing sector.<sup>46</sup> The following analysis is directed at the beef purchasing procedures of retail grocers, thus representing an input analysis only. The merchandising practices of retail grocers is the subject of another research project of the Commission and only minor comment as to the effect of merchandising on beef demand is included in this section.

Retail grocers are grouped into three distinct organizational categories: corporate-owned chains, voluntary chains and individual independent units. Emphasis is placed on the corporate and voluntary chains as, the independent grocers are a small and diminishing factor in total beef sales and they are generally price-followers.<sup>47</sup> Comments and analysis in this paper relate only to the large chains unless otherwise indicated.

The retailer role in beef marketing has been the preparation of beef purchased in bulk for sale to consumers in individual retail ready cuts. As previously described in the wholesaler section, traditionally retailers purchased carcass beef for butchering at individual retail outlets. Recently, this procedure is changing with more processing occurring at the wholesale level; in many instances at wholesale facilities owned by the retailers themselves. For the large corporate and voluntary chains, processing at the individual store currently ranges from the traditional preparation of beef into retail ready cuts from carcasses or from boxed sub-primals.

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<sup>46</sup> Statistics Canada, Retail Trade, Revisions to 1966-1970 Postcensal Estimates shown total sales of meat and fish markets for 1970 \$635 million compared to \$6,874 million of sales for grocery stores with fresh meat.

<sup>47</sup> Statistics Canada, Census of Canada, Voluntary Group stores showed that corporate chain sales represented 54.6 percent of all sales of grocery stores in 1972 and affiliated independents sales represented 27.7 percent. The remaining 17.7 percent was for individual independents.

### Size of the Retail Sector

By definition, the beef retailing sector must sell the total amount of beef produced except that lost through shrink, trim and waste. The 1974 per capita consumption of carcass beef (domestic and import) approximated 95 lb. per person. Given a population of 22 million, Canada's beef retail market is more than 20 million cwt. It has been<sup>48</sup> estimated that one out of every three meals is eaten away from home. Assuming that beef is eaten outside the home as often as in the home, approximately 30 percent of Canada's total beef, or slightly more than 6 million cwt. is retailed through HRI outlets. The retail grocer sector merchandises the majority of the remaining <sup>14</sup> million cwt. in fresh, frozen or manufactured form. Ten to 12 million cwt. would be expected to be in fresh or frozen form.<sup>49</sup>

### Structure of the Retail Beef Market

Retailing in Canada operates on a regional basis with each market having different characteristics including size, consumer taste and wage levels. The large multi-regional chains tend to operate differently in each market or on a regional basis.

The sample of chains in the Commission's retail survey for 1974, includes 47 individual retail operations which varied in size, both within markets and between markets. In areas of large population such as Toronto and Montreal, there were chains with beef receipts ranging from less than 50,000 cwt. per annum to those chains with receipts of between 500,000 and 750,000 cwt. (see Table 71). A retail chain operation of this large size in Montreal is comparable in size to the largest independent wholesalers. In most markets, the sample contained a concentration of operations at both the large and small ends of the range. It should be kept in mind, in any study of market domination, that retail chain receipts of 100,000 cwt. in say, Edmonton, would be of approximately the same importance as retail receipts of 500,000 cwt. in Montreal.

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<sup>48</sup> The Food Service Committee of the Meat Packer's Council estimates that 50 percent of all meals will be eaten away from home by 1980. The National Commission on Food Marketing in the U.S. estimated that in 1963, the U.S. HRI trade accounted for 35 percent of the consumption of U.S. red meat production.

<sup>49</sup> The Commission's retailer sample in 10 urban centres totalled 4.458 million cwt. in various processed forms. An adjustment to carcass equivalents would give a sample of 5-6 million cwt., representing roughly 40-45 percent of total fresh and frozen product moved by retail grocers. However, as our questionnaire included only 10 urban centres and their surrounding areas, our sample size would be between 70 to 75 percent of the population and this sample includes all large firms.

In each of the retail markets analyzed in this survey there are one to three chains controlling a large share of each market. Table 71 shows, in Toronto, that there is one chain with receipts of 500,000 cwt. or more and two chains with between 250-500,000 cwt. yearly.<sup>50</sup> Vancouver, Edmonton, Calgary, Winnipeg, Thunder Bay and London all have at least one chain receiving 100,000 cwt. of beef annually. Each market also contains a number of smaller chain operations.

Corporate chains own the majority of these operations, large and small, with the remainder being affiliates of voluntary chains.<sup>51</sup> Table 72 indicates that 35 out of 47 operations surveyed were corporate owned, including the two largest, and 11 out of the 15 biggest. At the other extreme, corporate-owned operations numbered 19 out of 24 of the smallest. An important factor not shown in the table is that many of these chains have operations with large market shares in more than one market indicating that these chains are both intra and inter-market concentrated.

The majority of corporate food retailers in Canada are Canadian owned, although Canada Safeway, controlled from California, is one of the fastest growing and most aggressive multi-market chains in the industry. The other non-Canadian chain is A&P Stores which is a wholly-owned subsidiary of its U.S. parents. Dominion Stores, Canada's largest retail chain, and Steinbergs Stores are privately owned Canadian firms. Loblaws, Westfair, O.K. Economy Stores and Super Valu Stores are also privately owned but are included within the Weston conglomerate. Woodward's Stores are a regional chain operated from Vancouver.

Independent Grocer Association affiliates (I.G.A. Stores) across Canada are generally independently owned but have a voluntary association with a wholesaling supply firm. I.G.A. stores are regionally bonded with the Oshawa Group supplying the bulk of these outlets in Ontario, Quebec, Manitoba and the Maritimes. In addition, the Oshawa Group owns Food City in Southern Ontario, Hyper-Marché in Laval, Quebec and Towers Foods in the Maritimes. M. Loeb Ltd. is a wholesale supplier for the I.G.A. stores in Alberta, Sudbury, Ottawa and London, Ontario. Metro-LaSalle, Richelieu and Provibec Stores are members of local Quebec voluntary chains. National Grocers is a wholesaler principally servicing Red and White and Lucky Dollar independents loosely bonded in a chain across Canada.

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50 In some instances, a firm's receipts may include those of individual outlets within the general area but outside the city's political boundary.

51 One large independent retailer has been included with the voluntary chains.

### Degree of Processing by Retail Firms

Although most retailers still receive their beef in carcass and/or primal form, several chains have placed their stores on a program of boxed beef. Beef in carcass form represented 1.99 million cwt. or 44.8 percent of the total 4.5 million cwt. received in the sample of retailers examined in 1974. The 700,000 cwt. (15.7 percent of total receipts) received as primals in combination with carcass receipts represented more than 60 percent of these retailer receipts. Boxed beef receipts were 1.2 million cwt. or 27.9 percent and boneless beef made up the remaining 11.6 percent.

Retail chains generally adopt either a policy of purchasing all boxed beef or a policy of purchasing carcasses and primals. There is little mixing of these two policies except during a switch-over from one policy to another. Table 73 shows that nine out of 47 operations purchased no carcasses at all while 26 out of 47 purchased at least 50 percent of their beef in carcass form. Table 74 shows that 29 out of 47 operations purchased more than 85 percent of their beef requirements as carcasses and/or primals and 15 out of 47 purchased at least 95 percent of their beef in that form. In contrast, seven operations bought no carcass or primal beef.

The acceptance of boxed beef was not yet industry wide nor had it been introduced into all markets by 1974. Table 75 shows that 32 out of 47 operations surveyed received no boxed beef in 1974. It also shows that all operations surveyed in Regina and Halifax received no boxed beef during the period. Regionally, the Western cities, Vancouver, Calgary and Edmonton, have a higher proportion of retailers on boxed beef than the Eastern centres.

All retail operations on boxed beef programs in 1974 were corporate chain owned (see Tables 76 and 77). However, some voluntary chain firms were experimenting with the idea as shown by the fact that two out of 12 voluntary chain operations in Table 77 received boxed beef in a sizeable proportion. Operations on boxed beef programs range in size from the smallest to the largest (see Table 78 and 79). Importantly, there are large retail operations that have not accepted this new approach. Table 78 shows one very large operation and two large operations out of a combined total of four in these categories receive at least 66.7 percent of their receipts as carcasses or primals.

### The Effect of Retail Grocer Beef Merchandising Policies

Beef marketing at the retail level has been an integral part of the growth and consolidation of the retail food sector. Retail chains have been consolidating store footage into fewer, larger outlets. Management has been using such outlets to merchandise an increasing variety of food and non-food items. Meat merchandising facilities have followed this general pattern with larger counters and more product and variety of product on display.



Until recently, retail grocers have tended to place emphasis on the merchandising of cuts from the hip and chuck. These primals provided roasts, roundsteak, hamburger and stewing beef. The other primals were not in as proportionally great demand and had to be "balanced" as previously described. The increased demand for B-B-Q type meats, particularly during the summer, has increased retailer emphasis on the rib and loin cuts and has solved the balancing problem for retailers during that season.

Meat and, particularly, beef are considered as essential ingredients to encourage consumer patronage of a particular chain's outlets. Evidence of this factor is the well-known slogan of Canada's largest retailer "Its mainly because of the meat". Considerable monies are spent on advertising meat with beef featured more often than other red meats or poultry.<sup>52</sup> Large retail chains have developed their reputations on the provision of quality beef. It has been shown that beef often shows negative profit levels<sup>53</sup> and that price competition among individual chains in most markets is very keen. According to retailers questionned, the Toronto area is one of the most competitive retail markets in North America with no large chain having a particular stranglehold on the market. On the other hand, there are more clearcut price leaders in other markets such as Steinbergs in Montreal and Safeway in the West.

#### Type of Beef Purchased by Retailers

The use of quality beef as an image creator and for customer promotion has formulated definite beef purchasing policies for retail chains. All large chains, both private and voluntary, have concentrated their purchases on A grade carcasses particularly the A1 and A2 categories. Exceptions to this are such as Steinbergs, Quebec, which feature cow beef, and chains such as I.G.A., Ottawa which feature Bond C grade beef. Particular large chains such as Dominion and Boeuf-Merite representing the Metro-LaSalle and Richelieu retail outlets set policy to purchase only A grade steer carcasses as they feel steers provide better overall consistent quality than comparatively graded heifers.

These chains' rigid specifications of steer beef of a certain weight, a certain ageing and with good conformation, create unofficial sub-grades within the Canadian grading categories and a discount system for less desirable carcasses. The beef purchased by these large retail firms, although varying somewhat in specifications between firms, represents the best quality carcasses available. The off-grades or

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<sup>52</sup> Research Report No. 5, An Economic Analysis of Beef Pricing and Newspaper Advertising in Toronto (Information Canada, February, 1976)

<sup>53</sup> Consult verbatim transcripts of Public Hearings (Public Records Division, Public Archives)

discount carcasses are left for movement through the independents and butcher shops. These specifications demanded by large influential retailers affect the beef marketing chain right through to the producer.

#### Concentration of Retailer Buying Power in Various Markets

The consolidation of retailer facilities into fewer large stores belonging to a few large centrally managed chains has consolidated the purchasing power of the chains. This power, resulting from horizontal integration combined with the vertical integration of retailers into wholesaling and processing, has given retailers increasingly greater bargaining powers to that of the large packinghouse chains.

In each of the large urban markets, one to three firms at most dominate beef purchasing for consumer sale. In Western Canada, from Vancouver to Northern Ontario, Safeway is the key retail beef merchandiser. Its construction of a boxed beef operation for its Alberta and B.C. stores has given it an unparalleled position in the local Alberta beef market. In the Manitoba beef market, the three major competitors are Safeway, Dominion and Loblaws. In Southern Ontario, Dominion and Loblaws are major competitors with Safeway as Miracle Food Mart, A&P, Food City and I.G.A. providing additional competition. Safeway's presence is concentrated to a few stores in Toronto.

In the Montreal market, retailer buyer concentration has pitted the voluntary chains of Metro-Richelieu against Provigo, I.G.A. and the giant Steinbergs and Dominion Stores Limited. As the Montreal market is unique with its extensive wholesaler market, the buying power of all retailers is consolidated further here than anywhere else. Retailer-wholesalers and independent wholesalers representing the interests of their retailer customers provide a strong counterbalance to that of the large packers shipping into Montreal.

The retailers are jealously guarding their control of the quality and the cuts of beef carcasses, through their purchasing policies and involvement in wholesaling and processing. Competition from the HRI sector for centre cuts, i.e. ribs and loins, has led retailer firms to deal in carcasses either at the wholesale or retail level, thus maintaining possession of the centre cuts. Integration into wholesaler processing has been dominated by retailers through construction of their own warehouses and boxed beef operations. Controlling of the boxing process maintains greater quality control at the retail level. Such operational activity stresses lack of faith in the packer's ability and/or desire to provide a product of consistent quality in a fully processed form and stresses the retailer's ability to provide for his own needs.



### Barriers to Entry

The dominance of the retail sector, first by multi-regional large corporate chains and secondly by large individual retail outlets operating on low profit high volume policies, restricts entry into the sector other than at a very minor level. These chains have large advertising and promotional budgets and have an extensive supply network available to their individual stores. They also have the chain's financial umbrella to cover individual stores during times of poor performance or severe local competition.

As an independent, a retailer would generally have little chance of developing a large market share in major urban areas. Competition from major chain outlets would be severe. The independent would face higher costs due to the lack of buying power possessed by chain stores. An independent would only be able to offset these disadvantages by joining a voluntary retail chain.

### Summary

Corporate chains control large shares of beef purchases for final sale to the consumer. A secondary force in this sector is voluntary chains who operate quite similarly giving a high buyer concentration in the hands of relatively few corporate and voluntary chains. Retailers process less at the individual outlet level thus forcing the balancing and labour problems back to the wholesale level. Corporate chains have started into boxed beef programs although there are still large firm holdouts. Movement into boxed beef appears to be an all or nothing decision. The Eastern regions, particularly Montreal, have remained comparatively less involved in boxed beef than the Western centres, particularly Vancouver and Alberta.

## 6. THE FOOD SERVICE INDUSTRY

The Food service industry, also known as the hotel, restaurant and institutional (HRI) trade,<sup>54</sup> is the second most important type of beef retailer after retail grocers, and continues to expand dramatically. General estimates suggest that by the late 1960's North Americans were consuming one out of four meals away from home and this is expected to be close to one out of two meals away from home by 1980. This industry includes a broad spectrum of establishments that serve various forms of prepared food to consumers. These meals, provided by the HRI trade, have two basic inputs; meat dishes, of which beef is the most popular, and service, which introduces a large value-added factor to the basic meat inputs. The growth and specialization of these retail outlets have lead to the evolution of specialized meat wholesalers, i.e. purveyors, to service their particular requirements.

### Overview of the Food Service Industry

The HRI trade is composed of three separate, roughly homogeneous groups: hotels, restaurants and institutions. Hotels vary from large first class chain hotels to local city or town hotels and may include a hotel-restaurant complex. Restaurants can be classed into three basic types: top quality or high class restaurants that serve "haute cuisine" and wine, and compete as a form of entertainment; individual cafes that service the luncheon trade or are a "local" restaurant, and the chain fast-food outlets, serving by far the largest volume of beef.

There are, again, three basic types of institutional organizations. Industrial catering generally provides food services to customers 24 hours per day at hospitals and office buildings, for example. Another form is the provision of cafeterias for specific meals and coffee breaks, and the third is government food service, including the military. It tends to have characteristics similar to both catering for industry and government workers, but is considered as a separate entity.

The range in size of HRI participants varies widely, as does ownership. Hotel and restaurant chains may be U.S. or Canadian owned, and fast food chain outlets may be controlled by U.S. or Canadian franchising companies. There are large institutional catering firms, such as CARA, and the Department of National Defence caters to 80-90,000 personnel across Canada. At the other extreme are the small, locally-owned establishments.

### Output Pricing

As meals served by the HRI trade include service as well as basic food inputs, changes in and the relative level of meal prices are not full explained by changes and relative levels of food prices. The price of prepared meal is determined by a combination of costs including labour, rent, advertising, food costs, including beef and profit. Food costs including beef are usually estimated at 30-35 percent of this total.

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<sup>54</sup> It was estimated in the retailer section that the HRI trade sold approximately 6 million cwt. of the 22 million cwt. of beef consumed in Canada during 1974.

The absolute level of output prices or meal prices is theoretically set so that profit margins are achieved. This profit margin must be achieved in the face of competition and in the light of consumer resistance to upward price change. One obvious method of controlling costs is to keep them as constant as possible by using purchase contracts.<sup>55</sup> However, if input cost increases cannot be avoided, forced cost reductions may be necessary for other inputs and/or, if the firm's position permits, price increases for input can be resisted through use of market pressure. How successful a firm is in any or all of these manoeuvres affects the relationship between beef price changes and meal price changes.

In relation to the total beef market, seasonal variation in beef prices, particularly for ribs and loins, is a constant problem for this industry. The summer season generally brings large price increases as demand increases, and hotels and restaurants have to bid against retail grocery stores for the same products.

As a measure of protection, HRI industry participants would prefer to move into pricing agreements with the purveying industry to reduce this variation. If some effective manner could be arranged to average prices for these cuts through the year, it is possible that both the HRI industry and beef producers could benefit. A possible solution is to contract for the purchase, production and freezing of these cuts during the "off-season". Such a plan is plausible only if contracts are somehow binding for all parties.

#### Source of Beef Purchases

The source of beef for HRI institutions has been changing dramatically over the last few years. In fact, it is the change from the traditional concept of meat handling to portion control or oven-ready service that has permitted some of the fast food franchises to become so popular and large by providing the fast, efficient service. Traditionally, the HRI trade purchased beef carcasses or primals from the packer and wholesale trade for preparation by the outlet's own individual butcher. HRI purchasing patterns have changed since the 1960's as there has been a strong movement, especially by hotels and fast food chains, into the block-ready, oven-ready and portion control cuts.

Along with the technological development of cryovacing and portion control, new management techniques that were introduced to this sector have been a tremendous influence on food input purchasing. With the advent of portion control, virtually no labour was required at the HRI level to prepare food for sale. Input food costs thus became much more assignable. These outlets, as with their retail grocer counterparts, are forcing beef processing back to the wholesale level.

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<sup>55</sup> Contracting is discussed in the next chapter.

### Method of Beef Purchasing

Responsibility for beef purchases for a large hotel chain can vary from each individual hotel making its own purchases to a central office controlling purchases for all members of its chain. One large hotel chain permits each chef to make all and every decision regarding meat purchases, while another is moving towards purchasing all its products through a central contracting agency.

Permission to purchase at the individual level allows each individual chef to choose supplies according to his own requirements and individual intuition. Centralized purchasing, on the other hand, requires a great deal of standardization and loss of some individual choice to take advantage of volume buying from purveyors. For many of the high class restaurants and hotels, service and quality are a necessary ingredient to ensure their reputation. Standardization of specifications and central purchase helps to maintain a constant service throughout the year in a particular outlet as well as between outlets within a chain.

Smaller individual restaurants generally purchase from HRI suppliers within an area. They usually do not have the volume to make large contract purchases and will purchase on a daily or weekly basis. The advent of purveyors and the purveying trade has allowed such outlets the benefit of a large-scale operation at only slightly increased costs. One former restaurant owner in Montreal mentioned that prior to the evolution of the purveying trade, it was easiest and most economical to purchase his requirements from local retail grocery stores as their prices reflected the discounts for volume purchases.

Beef purchases by the fast food outlets range from bulk meat purchases for central franchise suppliers to supplying grinding beef to an individual outlet. The range of specifications of large HRI chains includes, at a minimum, those chains that publish specifications for raw inputs and list of ingredients that may be used for production of the retail product. In contrast to this minimum, one large hamburger outlet provides centralized supply control by arranging for one purveyor to supply all of the pattie requirements for its outlets across Canada. This assures constant quality, return to scale on purchasing for the franchise and firm management of the chain.

Institutional beef purchasing has remained along the more traditional line of carcass and primal purchase than that of hotels, restaurants and fast food chains. Industrial caterers find that on large remote projects, labour is essential for total kitchen maintenance and to do up the beef on site. Beef is thus supplied in bulk form, quarters and primal cuts, to service the camps. There are some inroads by portion control in specialized areas where labour is not available to do all the meat cutting tasks.

Government purchases still tend to be on a carcass basis for the majority of the purchases. However, some portion controlled cuts are purchased for remote installations in the Arctic, for flight crew meal preparation and there are purchases of hamburger patties for mess areas that are short of staff. It is projected that future trends for government beef purchasing will be to portion control as the scarcity of skilled butchers and meat cutters becomes more acute.

Purchasing procedures for the various types of HRI outlets are as variable as the different types of outlets. However, the one common thread throughout beef purchasing is the bid and offer system.<sup>56</sup> The buyer issues tenders for bids to supply a particular quantity of beef of a particular specification.

As an example, one institution purchases beef on a monthly tender system. For beef required in September, individual units within the institution will submit September request in July. Tenders are completed and issued approximately by August 10 to close August 21 or 22. The purchase agreement will be placed the next day and meat deliveries will commence on the first of September according to the terms of the agreement.

On the invitation to tender, only plants with health inspection are allowed to compete. Acceptance of the tender does not assure a firm guarantee of purchase. However, the tendered quantity has proven a very reliable estimate and the agreement, in effect, is a standing order to purchase beef for a month at a fixed price. Another example of this system is a hotel chain tendering for beef purchases on a seasonal basis from May to September.

#### Size and Type of Beef Purchase

Individual facets of the industry vary in size and requirement for beef as shown in the following examples of the size and form of purchases of raw beef products made by various HRI outlets.<sup>56</sup> Individual large hotels within a chain may purchase between 200 to 250 cwt. of cryovac strip loins and tenderloins per year. A large industrial catering firm purchases approximately 10,000 cwt. of hinds and loins per year. Beef purchases by the Department of Supply and Services on behalf of a Western region of the Department of National Defence approximate 4,000 cwt. annually, of which 200 to 250 cwt. are portion control cuts. The corporate portion of a franchised fast food chain outlet purchases approximately 60,000 cwt. of hamburger per year. A regional hamburger chain purchases almost 3,500 cwt. of grinding meat per year. The absolute size of purchases by such retailers is much smaller than those of retail grocers but in many instances the relative size of the purchases are of similar consequence to the purveying trade as those in the retail grocer trade are to wholesalers.

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<sup>56</sup> The problems with straight contracting are discussed in the next chapter.

The principal beef cuts used by the food service industry are hamburger for grinding meat and steaks and prime rib from the rib and loin primals. The institutional sector uses a wider variety of cuts due to the less specialized type of output produced. Large hotels, high class restaurants, government and industrial caterers generally specify that cuts come from Grade A beef. Customers demand this as, for example, union contracts in B.C. specify Grade A beef to be catered on-site. This meat can be frozen, if thawed properly before cooking, as the primary interest is in its taste and not its appearance.

Specifications for grinding meat or finished hamburger patties usually include fat content, colour of fat and whether the meat has to be fresh or can be frozen. Most firms do not object to the use of imported or frozen beef as long as it meets their specifications. Some of the fast food steak houses use tenderloins from cows or imported grass fed steer tenderloin from Australia. They may also use Grade B and C ribs.

#### Summary

The food service industry is an expanding sector of the total retail food sector with an estimated 30 percent of Canadian beef purchases. It is a fragmented industry comprised of separate groups of homogenous firms. Beef purchases by this industry, in particular hotels and restaurants, has shown an increased movement towards a more processed product.

In contrast to the retail grocer trade, it is not dominated by a few large corporate purchases although it is becoming more concentrated. As in the retail grocer trade, however, HRI participation has increased in the wholesaling sector either by ownership or contract as a measure to ensure quality and control of inputs. This participation will increase as large HRI firms move to promote a national branded image.

## 7. PURVEYORS

The food service industry and the meat purveying industry have grown in concert over the last 10 years. The number and type of purveying firms are as varied as the requirements of the food service trade. Meat purveying is performed by three different facets of the meat trade including packers, wholesalers and independent purveyors. For the packers and wholesalers, it is an extension or integration of their basic beef wholesaling function. For independents it is a provision of a specialty service in one particular area of the beef marketing chain.

Small independent purveyors appeared first to fill the void between the large meat packers and the food service industry and as a result, located in areas of large population concentration such as Toronto and Montreal. In both these centres there was a ready supply of beef and a relatively large food service trade. In Toronto, there were numerous packing plants supplying carcasses and there was also access to supply from the eastern U.S. market where a specialty cuts wholesale market operates.

In Montreal, the meat wholesale trade handled large numbers of carcasses each week and as more cattle were broken there was always a supply of primal cuts available. There was also access to the U.S. market. As the food service industry expanded across the country, purveyors started moving away from these two large centres and out to smaller centres such as Winnipeg, Edmonton, Vancouver and Calgary. Here the same type of situation occurred as in Toronto and Montreal. There was demand for the product from the food service industry in those centres and there was also a beef supply from local packing houses or branch houses.

In response to the initial success of the independents and their development of a sizeable clientele, the meat packers have moved into the HRI servicing trade. Small HRI accounts, formally handled as part of the packers' general beef sales, are now handled by special HRI divisions. Also packers have set up complete HRI specialty houses. In other locations, packers branch houses often can provide HRI cuts and manufacture hamburger patties for fast food outlets. Independent wholesalers are competing in this trade by either moving into the HRI purveying under their own firm name or creating HRI firms that do only purveying. Limited movement has been made into purveying by the HRI firms themselves.

As wholesalers, purveyors provide both a distributive function and a processing function. However, purveying is generally considered as a specialist role of providing value-added products. The trade does also include as purveyors, all firms that provide any form of beef to the HRI industry. In its broadest sense, purveyors would also include firms handling any type of meat for the HRI trade. Described differently, purveyors fill the supply needs of the food service industry. These needs include the requirement of beef in the volume and form suitable to a particular HRI outlet's situation.



As an example, it is often difficult for small HRI outlets to obtain good service on small volume beef orders from a large packing house. A purveyor will consolidate orders from several of these small-volume customers and purchase on a volume basis. He then distributes this beef at a price greater than the high volume packer-retailer sales prices but less than that which an HRI outlet might have to pay individually. At the other end of the spectrum, purveyors will offer large volumes of highly fabricated cuts such as pre-cooked products in block ready size, portion control steaks, and ready-to-cook frozen patties.

### Structure of the Industry

The purveying industry is a high volume, low margin type of industry. It is relatively labour intensive. It is fragmented as various meat distribution, cutting and processing functions can be carried on independently. Small single process firms are prevalent as they do not require huge real estate and capital investments to commence operation. The industry grew very quickly at first for these reasons and as a need was evident. It became an outlet for products other than that required by the retail grocer trade. As the industry has matured, large purveyors with more than 75,000 cwt. annual production have evolved and many smaller firms have suffered unless they have developed a specific specialty.

The original customers of the purveyors were small restaurants and hotels. However, retail outlet franchising has led to concentration of buying power by large chains. As these large chains have grown and consolidated management of outlets, they have altered their demands on purveyors. A firm, such as McDonalds, having a large share of the hamburger market, buys all its patties in a quick frozen state from one purveyor who does nothing but supply McDonald outlets with this product. Other large chains and fast service steak houses are moving to centralized purchasing of all their product. These purchasers require service from a purveyor who can provide them with all of what they want when they want it.

While initially the purveying business could be a quick in and out attempt for many investors, with no significant barriers to entry, it has grown very sophisticated and barriers to successful entries into the industry now exist. On the demand side, a purveyor must be able to service contracts of considerable size and of rigid specifications. This implies that he must have a good labour force, good management and a supply of reliable products. On the supply side, it means the purveyor must have a consistent source of quality-controlled beef that does not vary in product yield or retail cut-out. With a high volume, low profit operation, consistency is the key to success. Finally, there are now many competitors in purveying and a firm must remain keen to maintain its market share.

Backward integration by the HRI firms into the actual ownership of purveying firms has been limited to date. However, the contracting of the total output of a purveyor shows the interest of this retail sector in the processing function of the purveying industry. In contrast to the



retail grocer situation, however, most HRI outlets are not large enough to control large segments of the total HRI trade<sup>57</sup> and they do not use the actual fresh meat as the dominant advertising theme. The independent, wholesaler and packer purveyors have generally kept abreast of the processing needs of the HRI industry and have provided the service required. Further consolidation of HRI firms into large enterprises, including purveying, may alter this current structure.

#### Beef Volume

While it is difficult to fully estimate the size of the HRI beef trade, <sup>58</sup> the relative volume shipped and the type of product shipped by individual firms gives some indication of the importance of purveyors in the marketing chain. A typical larger purveyor ships 50,000-80,000 cwt./year, of trimmed, ready to use beef in the form of portion-ready steaks, oven-ready ribs, boneless cuts such as strip loins, and tender loins, various roast combinations and ground meat products in either fresh or frozen patties.

The volume of beef handled by purveyors can range from a very small amount to quite staggering figures. A small pattie-making operation may handle less than 5,000 cwt. of beef annually and employ three or four persons. In contrast, there are larger sophisticated purveyors offering more than 150,000 cwt. of various products per year ranking such a firm well within the size of the medium-sized carcass wholesalers in Montreal. An average, general purveying operation will move 50,000 to 60,000 cwt. of beef product output per year. The products<sup>59</sup> merchandized include carcasses, primals, HRI cuts and manufacturing beef.

A large purveyor's clientele will include hotels and restaurants, fast food outlets and institutions. Their demands are all slightly different with hotels and restaurants requiring high quality steaks and ribs, fast food outlets requiring hamburger and lower quality steaks and institutions requiring any combination of carcass beef, portion control cuts and grinding beef. As an example, a typical large purveyor surveyed merchandised 65 percent of his product to hotels and restaurants, 17 percent of his product to fast food service outlets, 10 percent of his product to institutions and about another 8 percent to other HRI distributors.

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<sup>57</sup> Firms such as MacDonalds control a large share of the fast food sector only.

<sup>58</sup> In the retail section, an estimate of 30 percent of Canadian beef consumption or approximately 6 million cwt. was given as the size of the sector.

<sup>59</sup> Due to the inclusion of a high proportion of fully processed beef in purveyor sales, any comparison to size figures in carcass weights would downward bias the size of purveyors.

### Source of Product

The source of beef for purveyors is somewhat dependent upon the type of organization within which they exist. The purveyors which are an extension of a packing house or a wholesaler have the option to buy product from the parent operation although most packers explain that their HRI managers may purchase wherever they can obtain the best price. Independents, on the other hand, must purchase their product on the market in competition with packers and wholesalers.

A purveyor, whether a packer, wholesaler or independent, is generally interested in the middle cuts and some processing cuts. A full carcass is of no interest as the chuck, and to a lesser extent hips, are of no general use, the exception being some institutional accounts featuring roasts and such like. He uses the middle cuts, the ribs and loins, for his steaks and ribs and the processing cuts, the brisket, flank and plate for grinding meat, corned beef and other specialty products.

For the packer and wholesaler-associated purveyors, a constant supply of middle cuts is available usually from excess middle cuts from within their own system. However, independent purveyors have to rely on the primal market at the packer and wholesaler level to obtain middle cuts, often from firms operating their own purveying. Without border restrictions with the United States, maintaining a supply of cuts is a relatively simple operation as there are large firms in the United States who do nothing but break cattle into primal cuts. These breakers are able to supply purveyors with a large volume of specified cuts with quality assured. For the cheaper boneless cuts and manufacturing beef, the Oceanic countries supply a great deal of product. Again, this product is continually available, uniform, of a specific quality and is in a frozen state to be used at will. At the packer and wholesale level, a substitute is the grinding beef supplied from boning out of domestic cows.

With a closed border, the situation changed for the independent purveyor. He could no longer count on the supply from the United States and to some extent, the supply from Oceania. He had to rely on Canadian production to fulfill his needs. However, the Canadian beef industry was not ready to service purveyors when the border closed in 1974. Most packing plants operated as straight kill and ship plants to service the wholesalers, their own branch houses and retailers directly. This was often done on a carcass basis, in other words, forcing the buyer to "balance" the selling of all cuts. Any cutting done at the packer level to produce end and middle cuts usually resulted in the end cuts going to retailers and the middle cuts to the plant's HRI operation. Anything remaining after these movements would come to the market. The same procedure occurred at the wholesale level. Retailers offered less and less to the market as they merchandised the middle cuts themselves.

The independent purveyors and, to some extent, all purveyors, found that there were supply problems with a closed border. Theoretically, there was sufficient domestic supply. Practically, however, obtaining that supply from the mainstream of the large-volume packer, wholesaler, retail trade became difficult. Also, even though overall quantities of beef were available, it was often difficult to provide a consistent supply of the particular quality of cuts required at consistent prices due to the fluctuation in the kill of HRI-type cattle and the great variations in carcass prices.

### Contracting

To the HRI outlet, the meat taste, especially tenderness, rather than the appearance of the fresh product is important, as the customer does not see it in the raw state. Therefore, the product may be cryovaced and/or frozen for future use. In theory, this allows purveyors to purchase supplies on the off season for future sale. Originally there was a movement to supply such product via contracts to even out the price cycles that occurred between the off season and in season markets.

The idea of the contract was that the purveyor would purchase this product on the off season, prepare it and freeze it for marketing in season. This financial arrangement benefitted both the purveyor and the contractor. However, what transpired is that purveyors have entered into contracts where they could not afford to tie up capital for the full duration of the contract. Therefore, they had to speculate on the spot market to secure product to fill the contract. Also, the HRI trade soon found themselves in the position of not having to honour contracts as keen competition ensured alternative supplies. The contract became a one-way street favouring the HRI purchasers.

It was often cited to the Commission that the trade took it for granted that when beef prices went up, buyers honoured their contract. However, if the price of beef went down, buyers then demanded reduced prices to match the current spot price whether the purveyor had purchased ahead on the agreed contract price or not. Contracts have become non-viable on a price basis and purchases are generally on a short-term basis. Standing orders have replaced some contracts if there is an atmosphere of long-term co-operation between purchaser and seller.

### Current Status

During the closure of the U.S. border, a source of heavy competition, the U.S. purveyor supplier, was virtually removed from the system. This enhanced the development of the Canadian purveying system. The domestic industry, while suspect at first for many reasons, including sticking to the status quo, conservatism and lack of originality, grew and improved. Consistently better service is being supplied by Canadian purveyors and reputations are being built up by progressive reputable firms at the independent and chain level.

For many of the independent firms, it is their ability to provide a particular service that captures the market. It is often charged that the HRI division of large packing houses and/or wholesalers can be very bureaucratic in their service and availability. Independent purveyors on the other hand, are generally eager to develop business and to make sure that their customers are continuing customers.

The purveying industry has offered some solution to the problem of balancing out the sale of carcass cuts, particularly grinding beef, processing cuts and to a lesser extent middle cuts, during the off season. With the growth of purveyors and the fast food industry, it is felt that the relative value of the carcass has increased because of the increase in popularity of the middle cuts. One stumbling block to the development of further purveying is the inability of the beef marketing system at present to allow each cut to find its own purchase price. It is still predominantly geared to movement of carcasses and thus control of all cuts by those controlling carcasses. Middle cuts are treated as a by-product of that process, rather than as a product on its own. Purveyors appear not to have access to the total supply of middle cuts when bidding on the market.

Future developments in the purveying industry appear to be a movement towards branded products. Competition on supplying beef cuts has become very keen, even to the point of destructive competition in some locales. Progressive purveyors are countering this competition by supplying a product identifiable only to their firm which may influence HRI firms to integrate backward into purveying. Such products may range from beef graded by the company to exacting specifications within the broad Canadian grading standards, to a fully processed product ready for customer use. Provision of a branded product in effect moves a purveyor into the role of a processor-distributor. This stance has been adopted already by some purveyors in the United States.

## 8. MONTREAL CARCASS MARKET

Industry sources estimate that approximately 8 million pounds of beef are brought into Montreal each week. Most of this beef originates from the Prairies, primarily from Alberta, as Southern Ontario is almost self-sufficient. In total, the weekly Montreal imports represent up to 60 percent of the weekly Prairie kill and more than 80 percent of Alberta's weekly kill. The Montreal market is thus a very important outlet for carcass beef from Western Canada. This importance is further augmented in that the Montreal purchasers prefer Alberta A-steers, particularly from Southern Alberta, to steers from sources other than Alberta and to heifers from any source.

Each week prices are established for both steer and cow carcasses coming in the Montreal area. These markets are two distinct entities. However, the price setting procedure is quite similar. The following description relates to the steer market unless otherwise indicated.

The weekly market price is established through the participation of packers via their broker representatives and wholesalers. The wholesalers, although representing themselves, keep the best interests of their large customers at heart. These broker-wholesaler transactions determining the market involve approximately 45-50 percent of all incoming Montreal beef purchases.

To understand how the Montreal weekly price evolves, it is necessary to know what each of the participants does on a chronological basis throughout the week. The packer's shipping week generally is accepted as Monday morning to Sunday night. The actual trading is usually conducted Monday to Friday. The bulk of shipments are made during the work week with "clean-up" shipments made on the week-end, as required, to ready the coolers for the following week's production. Shipments are light on Monday as generally there is no week-end kill. For accounting purposes, Monday shipments may either be considered as tail-end shipments from the previous week or first shipments of the current week.

A particular custom of the Montreal trade that complicates the carcass price setting mechanism is the use of standing orders. These orders are reported to represent as much as 80 percent of the broker-wholesaler trade as well as part of the direct packer to wholesaler trade. Such orders are handled as broker-wholesaler sales but are not directly included in the actual weekly negotiations. It is common for standing orders to be placed with brokers before the week's price negotiation commence. Such an order specifies a certain number of specific types of carcasses to be shipped on a certain day from a certain plant at the yet-to-be established Montreal carcass price. For example, an order dated Friday, August 15, called for 85 carcasses of A1, A3 steers to be shipped August 22 and to be priced according to the Montreal carcass market for A steers for the week of August 18-22. Packers deem standing orders necessary to program the shipping schedules required to prevent coolers from becoming congested.

The supply of carcasses available for broker-wholesaler active trading in any given week does not include those already committed to other sources, such as standing orders to Montreal, orders to their own branch plants or orders for other markets. The volume of uncommitted carcasses is a major determinant in the Montreal price negotiations. Fluctuations in the availability of non-committed carcasses is one of the key considerations in arriving at a price.

For purposes of description, the week of Monday, August 18 through Sunday, August 24 is used. For the beef trade this is the week of August 18-22 and the price hat is set will be for beef carcasses from cattle killed and shipped during the week of August 18 to 24. This beef will be received in Montreal during the following week. Retailers purchasing this beef during the week of August 25-29 will pay according to the carcass price of August 18-22. However, some of that beef will not hit the retail shelves until the week of September 1-5 as it will be left to age in the wholesaler's cooler.

#### MONDAY, AUGUST 18

##### Packers

Western Packers start to assemble cattle for the week's kill, including cattle that have been purchased by auction and sealed bid the previous week. Generally, cattle purchased by sealed bid may be left on the feedlot for up to two weeks after purchase. However, board and room is charged after 48 hours. Cattle purchased under these conditions may be used to program kill levels. Also, on Mondays the coolers are cleaned out and some shipments are made to the East or B.C. Such shipments can either be invoiced at the previous week's price or they may be shipped unpriced as part of the current week's supply. Obviously price differences greatly affect this decision.

Monday represents a squaring around day for the packers. The results of the previous week's kill are tallied. For large firms, these results are sent to head office for analysis of the up-coming week's trade, taking into consideration packer, wholesale and retail inventories, prices of late-week sales to both Montreal and non-Montreal markets and any other factors that could effect the Montreal situation.

##### Brokers

Brokers spend much of Monday matching up invoices and confirmations to sellers and buyers and cleaning up the previous week's business. This includes any minor changes regarding car numbers telexed to purchasers the previous week. Car number information is required for purchaser records in transacting the sight draft bills of lading upon delivery and it must be telexed, as often the car is on the rails before it has a confirmed buyer.

##### Wholesalers

Monday is a day that the wholesalers service country and small store jobbers. These jobbers pick up loads of beef and make sales directly to small purchasers whom the larger traders do not service. The wholesaler, himself, starts chain store deliveries. Stores requiring ageing of



beef would receive carcasses they had selected the previous week, August 11-15, and that had been killed, shipped and priced the week of August 4-8. Other stores might be receiving beef that had been killed early during the week of August 18-22, shipped for arrival at the wholesalers during the week-end. Upon receiving cars they are unloaded and checked against order specifications. This procedure occurs throughout the week.

#### Retailers

Retailers are receiving beef Monday and starting to cut it up for their end of the week marketing period, i.e. Wednesday through Saturday. Meat moves quickly during that period and there must be a large inventory to keep the shelves full. At the same time retailers are planning next week's and future weeks' requirements. Such decisions can have an effect on the current week's wholesale negotiations.

#### TUESDAY, AUGUST 19

#### Packers

Tuesday is important for the large packers, particularly Canada Packers, as Tuesday morning they decide on the company's offer price for the week for all beef carcass shipments by the company to the Montreal market. At Canada Packers, as at other packers, there is a morning conference between the head office and the beef managers of the large plants and units to establish the company's overall position for the up-coming week. Other firms would complete a variation of the same procedure. They will look at supply factors, such as kills, inventories at the various plants across the country and in transport. They will also make an estimation of demand based on factors such as wholesaler inventory and weather conditions that may affect consumer buying. A price basis is offered, A1/A2 for steers, D1 and D4 for cows, with appropriate discounts for other grades. This price offering is generally released to both brokers and company plants around noon, Toronto time.

Burns and Swift's generally follow shortly behind Canada Packers with an offer on carcass price either similar to Canada Packers or lower. On occasion, either or both of these firms will release their price before Canada Packers. Some large independents make their own offer. However, such offers are usually made after that by Canada Packers for, as a rule, one will not receive more than that offered by Canada Packers. The remaining smaller firms generally are price followers.

The next step is for each company plant to make individual carload offers having received the company offering price, although, again, offers may be given ahead on occasion. Beef carloads can contain various mixes of steers and cows of different grades. These decisions on the number of cars to be made available from a plant and the mix of

these cars are made by the individual plant manager and are his responsibility. Tuesday is also the day that packers commence heavy buying on all markets. Packers know their kill requirement and they have some indication of the tone of carcass market. This, then is reflected in the purchases and prices on the live market. Tuesday's live price usually sets the trend for the live market for the week.

#### Brokers

Upon receiving the prices from various Western packers the broker distributes these prices to his customers. He will also spend time informing his clients and purchasers of his interpretations of the general market situation for beef and his opinion of a good price for that week. The Tuesday price offerings signal the start of the heavy part of a broker's week.

#### Wholesalers and Retailers

The large retailers are naturally the important customers for the wholesalers and therefore, have a direct influence on what type of price negotiation stance the wholesaler will take during the week. On Tuesday, these two discuss supply factors that will affect the wholesaler-retailer trade. In turn this affects how wholesalers will bid. Such factors include wholesaler inventories, the store-to-store delivery price by truck in Toronto, the price of Toronto produced beef, and if or what is the Toronto surplus apt to be. Also, is the surplus in carcasses or cuts. The effect of demand from purveyors for middle cuts must be calculated. Wholesalers also look at the price for any cars that may have been shipped the previous week to Ottawa and Toronto after the Montreal price is set. A lower price could indicate a building surplus from the week before or vice versa. Wholesalers that are generally active in the negotiating are Lepine-Laurier, Boeuf-Merite and to a lesser extent, Quebec Packers.

### WEDNESDAY, AUGUST 20

#### Packers

Wednesday is a very important day in the establishment of the Montreal price. Packers are constantly on the phone with their brokers trying to determine what wholesalers will bid so that they can react with an immediate counter offer. Depending upon whether it is a seller's or buyer's market, the price is not always the total picture. The offerings from Southern Alberta tend to be important as the quality, the size, the uniform standard of Southern Alberta cattle give them a premium over the rest. The quantity of carcasses available from Southern Alberta plants, i.e. Canada Packers, Swift's and Burns, including Canada Dressed Meats, is an important variable in the eventual negotiated price.



Killing and shipping also continues on Wednesday. The Tuesday kill is generally fairly large and must be shipped on Wednesday morning to clear cooler space. These orders, whether standing orders or orders offered in the week's trade, are shipped without a committed price, but at an indicated price, i.e. the Montreal carcass price of August 18-22. However, this indicated price is not a completely unknown factor as there are some limits to what the Montreal price will be. The shippers know the asking price for the week and by Wednesday evening there will be a bid price. The bid price usually is a very good estimate of the minimum they could receive and the asking price will almost always be the maximum that they can receive under normal conditions. Their price will end up somewhere within those limits. They also can judge from how negotiations are proceeding whether the Montreal price will be closer to the bid or asking price.

#### Brokers

The brokers spend most of the day bargaining between their clients and the purchasers. Generally a bid will be received by Wednesday morning and the formal negotiation will start from there. However, it is not uncommon for the bid to be held off until late Wednesday or early Thursday. Determination of the exact release time of bids is one of the tools used by the wholesalers in the negotiation.

Apart from negotiations, the broker is continually gathering and assessing information on live markets, slaughtering levels, by-product prices and what kind of retail movement is occurring and expected in the Montreal and Toronto area.

#### Wholesalers and Retailers

The pace of retailer-wholesaler conferences steps up so that the wholesaler may arrive at an appropriate bid price. The wholesalers will do the actual negotiating but must keep their large customers' needs in mind.

Retail meat buyers start marking carcasses in the wholesalers' coolers that have arrived Monday and onwards from the previous week's kill, i.e. August 11-15. These carcasses will be either delivered immediately to the retailer or held for further aging. The retailers are continuing to cut up carcasses in preparation for the end of the week push.

#### THURSDAY, AUGUST 21

During an average week, Thursday is the day that the Montreal market price is established. Negotiations continue between the wholesaler and broker until a transaction is firmed, thereby establishing the market. Such a transaction usually consists of one particular car order being purchased at a price. As major packers offer all their beef at the same price, then the market tends to accept the price for one order as a common price for all that company's beef. In turn, competition must meet the price.

For the market to be set, the transaction has to be between two participators in the weekly market, who are recongnized by other participants as trend setters. When Boeuf-Merite commenced operations and was purchasing from X-L Packers, Canada Packers would not consider the market set until a large wholesaler such as Lepine had settled. This has changed now as Boeuf-Merite is taking Canada Packers' beef and has been accepted as a bargaining force. The active wholesale price setters are generally Lepine-Laurier or Boeuf-Merite and the active packers are Canada Packers or X-L and occasionally Burns and Swift's. The effect of Steinberg's is also felt even though they generally remain inactive in actual negotiations. The major independent brokers are Chisholm and Wudel.

During the whole process of the steer carcass market being established, the cow market for both butcher (D1 and D2) and canner (D3 and D4 cows) is also being established with some of the same participants involved at the broker-wholesaler level. The D1 and D2 market is negotiated by many of those involved in the A1, A2 steer negotiations including Steinbergs. The major determinants of the D3 and D4 market are the cattle boners such as Philip Polonsky and Canada Packers. The key-supply considerations for both these markets are cow slaughter in the West and Quebec. Cow versus steer prices affect the butcher cow market while the landed spot and future price of imported boneless beef affects canner cow prices.

Other processes continue at the packer, wholesale and retail level. Packers continue to kill and ship, wholesalers unload cars, break carcasses and deliver purchases and retailers merchandise meat.

#### FRIDAY, AUGUST 22

If the market has been set by Thursday evening then Friday is an open day. However, sometimes the price negotiations can continue on into Friday with no price set until late Friday afternoon. If so, the negotiations continue at a hectic pace until the market is set. When the market is set, the brokers confirm the orders and telex the purchasers the car numbers. This holds for both standing orders and the current week's offers.

For the packers, Friday becomes a day of merchandising extra loads that are not committed by this time in the Montreal, West Coast or local markets. The beef manager must determine his potential end-of-week inventory and try to move it as either carcass or cuts. If he is in a buyer's market this means moving cars, probably at discount prices, to the Ontario or B.C. region. These cars will contain remnants of the kill such as heifers, A1X types, virgin bulls, etc. On a seller's market, this problem is considerably diminished.

With the setting of the Montreal price, the retailer and wholesalers return to the job at hand. For the wholesalers, they must clear inventories of shipments from the previous week, i.e. the August 11-15 kill. They must cut up those carcasses that have not moved and try to obtain the best price available for these cuts. Their aim is to return the carcass price plus cost. Their ability to do this will be a result of market conditions. The retailers concentrate on merchandising through the week-end and planning requirements for future specials.

APPENDIX TABLES

Table 1: Commission Firms, Dealers and Co-operatives  
Operating at Public Stockyards

Public Stockyard	Commission Firms	Dealers	Co-operatives
<u>Saskatchewan</u>			
Regina	-	-	1
Saskatoon	2	-	1
Prince Albert	-	-	1
<u>Manitoba</u>			
Winnipeg	4	9 <sup>1</sup>	1
<u>Alberta</u>			
Edmonton	3	-	1
Calgary	4	1	-
Lethbridge	4	-	-
<u>Quebec</u>			
Montreal	3	-	1
<u>Ontario</u>			
Toronto	4	17	1

<sup>1</sup> Includes three meat packing firms

Table 2: Feeder Cattle Sales as a Percent of Total  
Stockyard Receipts of Cattle, 1955-74.

Stockyard	1955	1974	1955-64 Average	1965-74 Average
			-percent-	
Calgary	23	23	23.5	26.3
Edmonton	26	64	45.5	61.4
Lethbridge	27	51	35.2	49.2
Prince Albert	29	48	38.9	53.0
Regina	22	53	36.9	51.2
Saskatoon	16	36	31.2	44.1
Winnipeg	25	24	31.6	31.8
Toronto	14	13	15.1	17.7
Montreal	-	-	-	-
Nine Market Total	19	28	25.1	32.2

Source: J.C. Lowe and T. Petrie, Marketing Trends for  
Cattle and Calves.

Table 3: Annual Average Receipts of Slaughter, Feeder and Total Cattle at Public Stockyards in Canada, 1955-64 and 1965-74 (x 1000 head)

	Galgary			Edmonton			Lethbridge		
	Slaughter	Feeder	Total	Slaughter	Feeder	Total	Slaughter	Feeder	Total
1955-64	208.7	64.2	272.9	91.4	73.5	164.9	37.3	19.4	56.7
1965-74	187.0	65.1	252.1	93.0	144.1	237.1	15.4	14.1	29.5
Change (%)	-10	+1	-8	+2	+96	+44	-55	-27	-48

	Prince Albert			Regina			Saskatoon		
	Slaughter	Feeder	Total	Slaughter	Feeder	Total	Slaughter	Feeder	Total
1955-64	17.5	11.6	29.1	26.0	16.0	42.0	62.8	30.0	92.8
1965-74	25.5	29.2	54.7	29.0	30.2	59.2	54.8	43.2	98.0
Change (%)	+46	+152	+88	+12	+89	+41	-13	+44	+6

	Winnipeg			Toronto			Montreal		
	Slaughter	Feeder	Total	Slaughter	Feeder	Total	Slaughter	Feeder	Total
1955-64	189.4	87.8	277.2	347.5	62.2	409.7	100.6	-	100.6
1965-74	163.1	79.1	242.2	380.3	81.2	461.5	79.1	-	79.1
Change (%)	-14	-10	-13	+9	+30	+13	-21	-	-21

Source: J.C. Lowe and T. Petrie, Marketing Trends for Cattle and Calves

Table 4: Annual Average Receipts of Veal and Butcher, Feeder and Stocker, and Total Calves at Public Stockyards in Canada, 1955-64 and 1965-74 (x 1000 head)

	Galgary			Edmonton			Lethbridge		
	Slaughter	Feeder	Total	Slaughter	Feeder	Total	Slaughter	Feeder	Total
1955-64	10.0	44.5	54.5	15.8	24.0	39.8	0.7	14.7	15.4
1965-74	2.7	45.6	48.3	12.4	88.2	100.6	-	12.4	12.4
Change (%)	-73	+2	-11	-22	+268	+153	-	-16	-20

	Prince Albert			Regina			Saskatoon		
	Slaughter	Feeder	Total	Slaughter	Feeder	Total	Slaughter	Feeder	Total
1955-64	1.8	5.7	7.5	3.6	7.6	11.2	5.7	12.0	17.7
1965-74	1.2	22.1	23.3	2.1	18.0	20.1	2.7	33.8	36.5
Change (%)	-33	+288	+211	-42	+137	+79	-53	+182	+106

	Winnipeg			Toronto			Montreal		
	Slaughter	Feeder	Total	Slaughter	Feeder	Total	Slaughter	Feeder	Total
1955-64	51.3	55.8	107.1	70.5	27.0	97.5	102.8	19.2	122.0
1965-74	28.8	99.4	128.2	82.1	33.0	115.1	79.7	7.4	87.1
Change (%)	-44	+78	+20	+16	+22	+18	-23	-62	-29

Source: J.C. Lowe and T. Petrie, Marketing Trends for Cattle and Calves

Table 5: Receipts of Steers, Heifers, Cows and Bulls at Each of the Nine Public Stockyards in Canada, 1953-62 and 1963-72 periods (x 1000 head)

	Calgary			Edmonton			Lethbridge			Prince Albert		
	1953-62 Average	1963-72 Average	Change	1953-62 Average	1963-72 Average	Change	1953-62 Average	1963-72 Average	Change	1953-62 Average	1963-72 Average	Change
Steers	101.8	100.1	- 2%	39.7	34.5	-13%	19.0	8.2	-57%	7.2	12.2	+69%
Heifers	45.9	54.7	+19%	17.2	24.6	+43%	8.2	3.8	-54%	3.5	5.2	+48%
Cows	42.5	38.3	-10%	23.4	34.4	+41%	9.3	5.8	-38%	5.0	6.7	+34%
Bulls	4.6	4.5	- 2%	3.8	4.2	+10%	1.0	.6	-40%	.7	.7	-
	Regina			Saskatoon			Winnipeg			Toronto		
	1953-62 Average	1963-72 Average	Change	1953-62 Average	1963-72 Average	Change	1953-62 Average	1963-72 Average	Change	1953-62 Average	1963-72 Average	Change
Steers	8.6	9.3	+ 8%	27.3	23.8	-13%	70.1	73.7	+ 5%	135.2	185.0	+37%
Heifers	4.8	7.8	+62%	14.7	14.5	- 1%	31.3	31.1	-	63.1	95.3	+51%
Cows	8.5	11.8	+39%	14.9	16.6	+11%	62.9	59.4	- 6%	87.1	89.4	+ 3%
Bulls	.9	1.3	+44%	2.3	2.1	- 9%	7.8	7.0	-10%	9.4	7.9	-16%
	Montreal			Total								
	1953-62 Average	1963-72 Average	Change	1953-62 Average	1963-72 Average	Change						
Steers	22.0	9.1	-59%	430.9	455.9	+ 6%						
Heifers	6.8	4.0	-41%	195.4	241.0	+23%						
Cows	60.7	66.8	+10%	314.3	329.2	+ 5%						
Bulls	11.0	8.2	-26%	41.5	36.5	-12%						

Source: J.C. Lowe and T. Petrie, Marketing Trends for Cattle and Calves

Table 6: Percent Steers, Heifers, Cows and Bulls in Total Slaughter Cattle Receipts at the Nine Public Stockyards in Canada, 1953-72.

	Calgary		Edmonton		Lethbridge		Prince Albert		Regina	
	1953-62 Average	1963-72 Average	1953-62 Average	1963-72 Average	1953-62 Average	1963-72 Average	1953-62 Average	1963-72 Average	1953-62 Average	1963-72 Average
Steers	52.7	50.8	47.3	35.5	50.8	43.0	44.3	48.8	38.2	31.6
Heifers	23.2	27.5	20.4	24.7	21.2	21.2	21.0	20.9	20.9	25.9
Cows	21.8	19.4	27.7	35.3	25.1	31.2	30.3	27.3	36.9	38.5
Bulls	2.3	2.3	4.6	4.5	2.9	3.7	4.4	3.0	4.0	4.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Saskatoon		Winnipeg		Toronto		Montreal		Total	
	1953-62 Average	1963-72 Average	1953-62 Average	1963-72 Average	1953-62 Average	1963-72 Average	1953-62 Average	1963-72 Average	1953-62 Average	1963-72 Average
Steers	46.4	42.4	40.7	44.2	45.9	49.1	21.9	10.2	44.1	43.3
Heifers	24.6	25.4	18.2	17.8	21.4	25.2	6.7	4.5	19.8	22.6
Cows	25.1	28.5	36.5	33.8	29.5	23.5	60.4	76.0	31.9	30.7
Bulls	3.9	3.7	4.6	4.2	3.2	2.2	11.0	9.3	4.2	3.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: J.C. Lowe and T. Petrie, Marketing Trends for Cattle and Calves

Table 7: Receipts of Slaughter Cattle at Packing Plants other than from Public Stockyards as a Percent of the Total Inspected Cattle Slaughter, by Province, 1955-74.

Year	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	Canada
- percent -						
1955	42.6	58.2	41.4	39.5	38.3	42.1
1956	44.0	58.1	40.8	41.6	39.8	43.8
1957	49.1	50.2	40.0	41.1	40.6	44.1
1958	51.3	43.6	45.6	43.0	41.6	45.6
1959	52.0	48.4	43.6	44.0	38.6	46.0
1960	54.5	47.3	47.9	46.5	38.3	48.0
1961	61.0	51.2	47.0	45.5	42.0	50.5
1962	57.9	48.3	45.0	47.2	44.1	50.8
1963	63.0	49.0	46.7	48.8	46.7	53.3
1964	66.0	59.5	45.4	48.3	47.5	54.2
1965	67.7	72.8	46.3	51.3	52.2	57.1
1966	68.7	71.5	48.8	48.3	49.5	56.8
1967	72.8	77.1	50.8	50.5	48.0	60.1
1968	75.9	78.8	54.5	51.9	50.1	62.2
1969	78.3	79.3	57.1	52.2	54.1	63.7
1970	78.6	73.8	57.5	50.0	61.6	63.7
1971	77.6	76.5	60.5	51.6	62.9	65.7
1972	77.8	79.0	63.0	52.4	64.3	67.2
1973	80.4	78.6	59.4	49.4	57.1	66.6
1974	81.2	78.2	62.2	51.4	42.1	67.1

Source: J.C. Lowe and T. Petrie, Marketing Trends for Cattle and Calves

Table 8: Changes in the Composition of Total Inspected Cattle Slaughter in Canada and Total Slaughter Cattle Receipts at Public Stockyards in Canada Compared, 1953-73.

	Steers and Heifers					Cows, All Grades	Bulls
	Choice	Good	Medium	Common	Total		
<hr/>							
<u>1953</u>	- percent of total -						
Stockyards	11.4	21.4	19.5	14.3	66.6	28.1	5.3
Insp. Slaughter	17.6	18.1	24.1	8.0	67.8	26.9	5.3
<u>1972</u>							
Stockyards	35.4	16.3	9.1	5.3	66.1	29.8	4.1
Insp. Slaughter	49.5	17.7	10.5	0.8	78.5	19.5	2.0
<u>Difference</u>							
Stockyards	+24.0	-5.1	-10.4	-9.0	-0.5	+1.7	-1.2
Insp. Slaughter	+31.9	-0.4	-13.6	-7.2	+10.7	-7.4	-3.3
<hr/>							
<u>1953-62 Average</u>							
Stockyards	17.4	19.4	17.9	9.0	63.7	32.1	4.2
Insp. Slaughter	24.3	16.9	19.8	5.0	66.0	30.2	3.8
<u>1963-72 Average</u>							
Stockyards	30.2	17.3	12.6	5.9	66.0	30.6	3.4
Insp. Slaughter	39.3	18.5	13.4	1.7	72.9	24.9	2.2
<u>Difference, 1953-62</u>							
<u>and 1963-72</u>							
Stockyards	+12.8	-2.1	-5.3	-3.1	+2.3	-1.5	-0.8
Insp. Slaughter	+15.0	+1.6	-6.4	-3.3	+6.9	-5.3	-1.6

Source: J.C. Lowe and T. Petrie, Marketing Trends for Cattle and Calves.



Table 9: Average Daily Deliveries at Regina and Prince Albert Stockyards, April 1, 1974 to March 31, 1975

	Regina		Prince Albert	
	Average	Range	Average	Range
- percent of total weekly deliveries -				
Monday	16.5	0-34.5	42.0 <sup>1</sup>	17.7-64.5
Tuesday	35.0	6.1-51.1		
Wednesday	28.2	14.0-40.2	27.4	8.2-47.7
Thursday	18.3	5.2-54.8	26.8	6.7-48.4
Friday <sup>2</sup>	1.85	0-14.8	2.4	0-11.8

<sup>1</sup> Monday and Tuesday were reported together in about 80 percent of the weeks. Separate reports indicated Monday's average was 1.9 percent with a range of 0 to 6.9, and Tuesday's average was 40.5 with a range of 17.7 to 64.5 percent.

<sup>2</sup> Sales are not held Fridays, although deliveries are accepted.

Source: Livestock Division, Agriculture Canada.

Table 10: Number of Auctions in 1959 and 1974 and Sales of Calves and Cattle, 1974

	Number of Auctions		1974 Marketings <sup>1</sup>	
	1959	1974	Calves	Cattle
'000 head				
Maritimes	3	7	38.6	17.1
Quebec	28	41	406.1	103.7
Ontario	66	60	517.3	504.5
Manitoba	4	15	107.2	232.4
Saskatchewan	8	36	150	450
Alberta	26	71	782.9	36.6
B.C.	12	17	78.5	119.0
TOTAL	147	247	2080.6	1463.3

<sup>1</sup> estimate

Sources: 1974: Quebec, Alberta, British Columbia: Commission Studies; Ontario: Ontario Ministry of Agriculture and Food; Maritimes, Manitoba, Saskatchewan: Unpublished Reports by Agriculture Canada.  
1959: Restrictive Trade Practices Commission Report.

Table 11: Value of Sales Through Livestock Auction Markets in the Atlantic Region, 1957-74.

Year	Value of Sales
	- dollars -
1957	562,069
1958	928,991
1959	1,314,422
1960	1,540,183
1961	1,809,994
1962	2,069,894
1963	2,223,361
1964	2,476,711
1965	2,968,303
1966	4,579,136
1967	5,259,765
1968	5,918,227
1969	6,935,304
1970	7,446,603
1971	7,778,044
1972	9,627,399
1973	12,675,497
1974	9,578,480

Source: Agriculture Canada, unpublished study

Table 12: Livestock Sold Through Livestock Auction Markets in New Brunswick, Nova Scotia and Prince Edward Island, 1974.

Type of Livestock	N.B.	N.S.	P.E.I.	Total
	number			
Bob calves	5,567	11,519	583	17,669
Veal calves	1,209	890	31	2,130
Feeder calves	1,972	1,342	839	4,153
Feeder cattle	2,649	4,613	7,351	14,613
Slaughter heifers and steers	877	1,403	3,699	5,979
Slaughter cows	2,168	3,297	2,455	7,920
Slaughter bulls	465	392	426	1,283
Dairy cows	279	702	364	1,345
Dairy heifers	30	198	80	308
Beef cows	50	30	90	170
Beef heifers	23	46	35	104
Beef bulls	1	5	-	6
Sheep and lambs	2,342	3,358	300	6,000
Pigs	22,582	3,938	-	26,520
Sows and boars	479	780	250	1,509
Horses	420	360	75	855
Poultry	4,173	350	-	4,523

Source: Agriculture Canada, unpublished study.

Table 13: Sources of Supply of Livestock Sold at Seven Livestock Auction Markets in the Atlantic Region, 1974

Distance from Auction	N.B. Auctions	N.S. Auctions	P.E.I. Auctions
miles	-	percent	-
less than 15	22.5	20.0	52.5
15 to 25	32.5	31.7	30.0
26 to 50	21.5	31.6	17.0
51 to 100	16.0	15.0	0.0
More than 100	7.5	1.7	0.5

Source: Agriculture Canada, unpublished study

Table 15: Cattle Sales at Country Auction in Ontario, by type of cattle, 1974

Type	Number	Percent
Calves	207,494	21.3
Stockers and feeders	268,677	27.6
Slaughter cattle	360,689	37.1
Milk cows	132,032	13.5
Bulls	3,382	0.3
TOTAL	972,274.0	100.0

Source: Unpublished worksheets of the Ontario Ministry of Agriculture and Food.

Table 14: Number of calves and fat cattle sold in Quebec during regular weekly sales for the year 1974.

Type of Auction	Calves	Fat Cattle
All auctions (excluding the Montreal Stockyards)	406,137 <sup>1</sup>	103,726
Montreal Stockyards	60,775 <sup>2</sup>	65,501

- 1 R. St. Louis, Commission study
- 2 Annual Report: 1974, Montreal Livestock Market; these figures refer to animals originating in Quebec and sold on this market.

Table 16: Number of Auctions in Ontario, by Volume of Sales.

\$'000 sales	No. of firms	Percentage of firms	Percentage of sales
0 - 999	7	11.7	1.5
1000 - 1999	13	21.7	5.4
2000 - 2999	10	16.7	6.4
3000 - 3999	2	3.3	1.8
4000 - 4999	5	8.3	5.7
5000 - 5999	4	6.6	5.8
6000 - 6999	0	0	0
7000 - 7999	2	3.3	3.8
8000 - 8999	5	8.3	11.2
9000 - 9999	3	5.0	7.7
over 10,000	9	15.0	50.7
TOTAL	60	100	100

Source: Unpublished worksheets of Ontario Ministry of Agriculture and Food.

Table 17: Volume of Sales Through Community Sales Barns in Ontario, 1971-75

	5-Year Average 1966-1970	1971	1972	1973	1974	Jan-June 1975
<u>Slaughter Cattle</u>						
Steers	119,156	129,619	133,670	136,069	159,877	83,238
Heifers	82,713	88,382	88,617	95,154	97,378	58,532
Cows	109,954	112,944	105,175	111,109	93,482	48,978
Bulls	9,138	9,586	10,119	9,950	8,235	5,948
TOTAL	320,961	340,531	337,581	352,282	358,972	196,696
<u>Cattle sold back to the country</u>						
Cows	44,995	43,569	47,886	42,444	40,768	20,031
Heifers	76,528	101,836	118,479	111,874	101,110	35,883
Stockers or feeders	207,696	282,727	303,733	307,140	281,474	119,003
Bulls	3,146	3,963	3,963	4,659	3,671	1,439
TOTAL	332,365	432,095	474,061	466,117	427,023	176,356
<u>Calves</u>						
Veal calves	204,364	175,614	168,039	135,062	121,105	61,922
Bob calves	125,272	114,401	119,398	116,845	114,658	69,053
TOTAL	329,636	290,015	287,437	251,907	235,763	130,975

Source: Ontario Ministry of Agriculture and Food

Table 18: Location and Estimated Cattle Marketings of Manitoba Auction Markets, 1974<sup>1</sup>.

Location	Cattle and Calves
Brandon (Manitoba Pool)	139,500
Dauphin	80,000
Virden (Manitoba Pool)	31,550
Melita	20,000
Roblin	13,300
Manitou	10,000
Killarney	10,000
Pilot Mound	10,000
Gladstone	8,000
Ste. Rose	5,500
Lundar	3,600
Pipestone	2,500
Strathclair	2,275
Inwood (Manitoba Pool)	1,710
Grunthal (two months)	1,670
Total (approximately)	339,600

<sup>1</sup> Manitoba Department of Agriculture survey and estimates.

Table 19: Location, Volume and Days of Operation of Livestock Markets Operated by Saskatchewan Wheat Pool, 1974.

Location	Volume of Cattle and Calves
<u>Daily Markets (Monday-Thursday)</u>	
Regina (Public Stockyard)	73,317
Moose Jaw	56,443
North Battleford	68,448
Swift Current	72,918
Yorkton	46,285
Prince Albert <sup>1</sup> (Public Stockyard)	53,918
<u>Weekly Markets (One or two days per week)</u>	
Moosomin	35,704
Kindersley	16,869
Meadow Lake	13,750
Talbotville, Ontario	52,236
<u>Commission Firm Operations</u>	
Saskatoon	40,857
Total	530,745

<sup>1</sup> Operated but not owned by Saskatchewan Pool in 1974. Lloydminster is a sixth daily market which began operation in 1975.

Source:Saskatchewan Wheat Pool, Livestock Division.

Table 20: Location and Estimated Marketings of Saskatchewan Auction Markets, 1974<sup>1</sup>.

<u>Estimated Marketings (thousand head)</u>			
0 - 6.0	6.0-9.9	10.0-14.9	15.0-19.9 20.0
(location)			
Estevan	Mankota	Alameda	Assiniboia
Kelvington	Norquay	Arcola	Wadena
Langenburg	Shaunavon	Humboldt	Maple Creek
Watson		Leross	Weyburn
		Nipawin	Whitewood
		Outlook	
		Sturgis	
		Tisdale	

<sup>1</sup> Excludes Saskatchewan Wheat Pool Yards listed separately. Marketings are in some cases estimates based on 1971-73 data. Source: Agriculture Canada, unpublished study.

Table 21: Marketings of Cattle and Calves sold through  
Country Auctions in Alberta, 1960-74

Year	Through Class D Stockyards	Through Class E & F Stockyards	Total	Number of Class D, E & F. Stockyards
1960	276,612	30,900	307,512	51
1961	350,020	24,812	374,832	60
1962	396,800	22,926	419,726	74
1963	424,551	23,507	448,018	67
1964	470,330	28,848	499,178	65
1965	514,327	19,852	534,179	64
1966	559,379	16,225	575,604	61
1967	605,511	12,459	616,870	67
1968	663,676	15,639	679,315	67
1969	704,766	11,129	715,895	61
1970	742,220	13,430	755,650	66
1971	840,865	17,136	858,001	69
1972	889,898	17,931	907,829	69
1973	944,869	15,484	960,353	71
1974	812,113	15,446	827,559	71
1974	Feeder Cattle	638,201		
	Calves	144,671		
	Other	<u>36,623</u>		
		819,495 <sup>1</sup>		

<sup>1</sup> Over 7,000 head error in data accumulation.

Source: Regulatory Service Branch of the Alberta Department  
of Agriculture

Table 22: Labour Requirements per Auction and per Dollar of Sales,  
Seven Livestock Auction Markets in the Atlantic Region, 1974

Operation	Hours per Auction Sale	Minutes of Labour Per Dollar of Sales		
		Low Auction	High Auction	All Auctions
Yarding	71	.07	.62	.13
Selling	12	.01	.12	.02
Accounting	20	.02	.22	.04
Cleaning	12	.01	.08	.03
Other	19	.02	.15	.03
Total	134	.13	1.19	.25

Source: Agriculture Canada, Unpublished Study.

Table 23: Number of Auction Markets by Province, by Size of Cattle Marketings, 1974

No. of Cattle marketed	B.C.	Alberta	Saskatch.	Manitoba	Ontario	Quebec <sup>1</sup>	Maritimes
0 - 2,500	5	10	10	4	8		0
2,500 - 5,000	3	18	2	1	9		3
5,000 - 10,000	0	9	10	2	15		1
10,000 - 20,000	6	8	6	5	10		3
20,000 - 30,000	1	3	1	0	11		0
30,000 - 50,000	2	4	3	1	4		0
50,000 - 65,000	0	6	1	0	2		0
65,000 +	0	0	3	2	1		0
Total No. of Auction Markets per Province	17	58	36	15	60	36	7

<sup>1</sup> Not available

Source: Commission Study

Table 24: Auctions in Quebec According to Category of Number of Buyers Regularly Attending the Establishments to purchase Calves and Large Cattle, 1975.<sup>1</sup>

Number of Buyers	Calves	Cattle
	Number of Auctions	
3 or less	9	5
4 and 5	13	8
6 to 9	5	15
10 to 15	4	3
16 to 30	3	3
30 and over	2	2
	36	36

<sup>1</sup> Includes only the weekly auctions

Source: R. St. Louis, Commission Survey



Table 25: Source of Alberta Inspected Cattle Slaughter, 1974

	No. of Head	% of Slaughter
Slaughter Cattle From Alberta Yards to Alberta Plants	178,116	15.7
Slaughter Cattle Imported from US.	4,594	.5
Slaughter Cattle from other Provinces		
B.C.	8,072	.7
Sask.	43,327	3.8
Man.	127	-
Thru-Billed	<u>4,941</u>	<u>.5</u>
Total From Public Yards and Outside the Province	239,177	21.2
Country Auction Yards	34,087	3.0
Sealed Bid	270,000	23.8
Private Treaty	<u>589,000</u>	<u>52.0</u>
Total Slaughter Cattle Direct to Plants <sup>1</sup>	893,087	78.8
TOTAL	1,132,177	100
Cattle sold on rail grade basis, 1974		
Calgary	15,505	4.7
Alberta South Sub-District <sup>2</sup>	118,329	16.1
Edmonton	40,712	14.9
Alberta North Sub-District <sup>3</sup>	<u>62,102</u>	<u>15.9</u>
TOTAL <sup>1</sup>	180,431	15.9

<sup>1</sup> Including country auction yards.

<sup>2</sup> Alberta South Sub-District includes Calgary, Lethbridge, and Brooks.

<sup>3</sup> Alberta North Sub-District includes Edmonton, Red Deer, and Grande Prairie.

Table 26: Markets Used to Purchase Live Cattle for Slaughter, 1974

Type of Market	Major Packers				Independent Packers				Total	
	Steers and Heifers	Cows	Type not Stated	Total	Steers and Heifers	Cows	Type not Stated	Total	Total	Total
	'000 Head				'000 Head				percent	
Terminal or Public Market	97.3	41.0	141.8	280.1	330.8	104.6	6.1	441.5	721.5	29.5
Country Auction	72.5	47.8	77.6	198.0	130.4	26.5	5.1	162.0	360.0	14.7
Direct from Producer										
Live weight	247.4	35.7	101.1	384.1	237.1	54.5	.6	292.2	676.3	27.6
Sealed bid	52.6	2.3	12.6	67.5	74.3	5.2		79.5	147.0	6.0
Dressed weight	101.3	26.7	20.8	148.8	37.6	11.1	.6	49.3	198.1	8.1
Official grade basis	131.3	34.3	89.7	255.3	45.6	29.0	12.4	87.1	342.4	14.0
Total	702.5	187.7	443.6	1,333.8	855.8	230.9	24.9	1,111.5	2,445.3	100

Source: Commission Survey

Table 27: Number of Cattle fed by Meat Packers, by Type of Firm, 1973 and 1974.

Year	Major Packers		Independents		Total
	No. of Plants	No. of Head	No. of Plants	No. of Head	No. of Head
1973	4	15,969	6	23,569	39,538
1974	5	18,555	6	35,573	54,128

Source: Commission Survey

Table 28: Percentage of Cattle Gradings by Province, Selected Years

	B.C.	ALBERTA	SASKATCHEWAN	MANITOBA	ONTARIO	QUEBEC	ATLANTIC
1960	5.5	22.6	5.3	18.7	34.4	12.1	1.4
1965	3.2	27.2	5.5	17.2	35.7	9.6	1.6
1970	2.5	32.8	5.7	15.5	33.6	8.7	1.2
1974	2.2	37.8	6.7	17.7	29.5	4.9	1.2

Table 29: Percentage of Cattle Gradings, by Type of Ownership, by Province, Selected Years

	ALBERTA		SASK.		MANITOBA		ONTARIO		QUEBEC		Other		CANADA	
	I <sup>1</sup>	C <sup>2</sup>	I	C	I	C	I	C	I	C	I	C	I	C
1960	25.1	74.9	5.5	94.5	20.6	79.4	57.0	43.0	74.7	25.3	7.1	92.9	39.0	61.0
1965	29.4	70.6	18.0	82.0	25.7	74.3	61.4	31.6	84.7	15.3	15.4	84.6	44.2	55.8
1970	31.4	68.6	7.5	92.5	23.4	76.6	70.9	29.1	86.1	13.9	39.8	60.2	47.2	52.8
1974	25.1	74.9	7.6	92.4	22.0	78.0	67.7	32.3	100.0	0	54.8	45.2	40.7	59.3

1 Independents

2 Major Packer Chains

Source: Agriculture Canada

Table 30: Number of Packing Plants, by Size of Output, by Province, 1970

Size of Plant (000 cwt.)		British Columbia	Alberta	Saska- tchewan	Manitoba	Ontario	Quebec	Atlantic	Canada
Small	less than 50	8 <sup>1</sup>	0	9	8	18.	16	7	66
		12.1 <sup>2</sup>	0.0	13.6	12.1	27.3	24.2	10.6	54.1 <sup>4</sup>
		80.0 <sup>3</sup>	0.0	64.3	57.1	46.2	72.7	100.0	
Medium	50-100	0	3	2	0	6	3	0	14
		0.0	21.4	14.3	0.0	42.9	21.4	0.0	11.5
		0.0	18.8	14.3	0.0	15.4	13.6	0.0	
	100-250	2	2	2	2	9	1	0	18
		11.1	11.1	11.1	11.1	50.0	5.6	0.0	14.8
		20.0	12.5	14.3	14.3	23.1	4.5	0.0	
Large	250-500	0	8	1	3	4	2	0	18
		0.0	44.4	5.6	16.7	22.2	11.1	0.0	14.8
		0.0	50.0	7.1	21.4	10.3	9.1	0.0	
	over 500	0	3	0	1	2	0	0	6
		0.0	50.0	0.0	16.7	33.3	0.0	0.0	4.9
		0.0	18.8	0.0	7.1	5.1	0.0	0.0	
Total		10 8.2 <sup>4</sup>	16 13.1	14 11.5	14 11.5	39 32.0	22 18.0	7 5.7	<u>122</u> 100.0

Table 31: Number of Packing Plants, by Size of Output, by Province, 1974

Size of Plant (000 cwt.)		British Columbia	Alberta	Saska- tchewan	Manitoba	Ontario	Quebec	Atlantic	Canada
Small	less than 50	8 <sup>1</sup>	3	14	10	16	16	6	73
		11.0 <sup>2</sup>	4.1	19.2	13.7	21.9	21.9	8.2	57.0 <sup>4</sup>
		88.9 <sup>3</sup>	13.6	77.8	58.8	42.1	94.1	85.7	
Medium	50-100	0	2	0	0	5	0	1	8
		0.0	25.0	0.0	0.0	62.5	0.0	12.5	6.3
		0.0	9.1	0.0	0.0	13.2	0.0	14.3	
	100-250	1	1	2	2	11	0	0	17
		5.9	5.9	11.8	11.8	64.7	0.0	0.0	13.3
		11.1	4.5	11.1	11.8	28.9	0.0	0.0	
Large	250-500	0	10	2	2	4	0	0	18
		0.0	55.6	11.1	11.1	22.2	0.0	0.0	14.1
		0.0	45.5	11.1	11.8	10.5	0.0	0.0	
	over 500	0	6	0	3	2	1	0	12
		0.0	50.0	0.0	25.0	16.7	8.3	0.0	9.4
		0.0	27.2	0.0	17.6	5.3	5.9	0.0	
Total		9 <sup>4</sup>	22	18	17	38	17	7	<u>128</u>
		7.0 <sup>4</sup>	17.2	14.1	13.3	29.7	13.3	5.5	100.0

<sup>1</sup>Number of Plants

<sup>3</sup>Percent by Province (col pct)

<sup>2</sup>Percent by Size (row pct)

<sup>4</sup>Percent of total plants

Source: Agriculture Canada.

Table 32: Number of Packing Plants, by Size of Output, in Canada, by Type of Ownership, 1974

Size	(000 cwt.)	Major	Independent	Total
Small	less than 50	1 <sup>1</sup>	72	73
		1.4 <sup>2</sup>	98.6	57.0 <sup>4</sup>
		3.8 <sup>3</sup>	70.6	
	50-100	1	7	8
		12.5	87.5	6.3
		3.8	6.9	
Medium	100-250	4	13	17
		23.6	76.5	13.3
		15.4	12.7	
	250-500	10	8	18
		55.6	44.4	14.1
		38.5	7.8	
Large	over 500	10	2	12
		83.3	16.7	9.4
		38.5	2.0	
Total		26 <sup>4</sup> 20.3	102 79.7	<u>128</u> 100.0

- 1 Number of Plants
- 2 Percent by size (row pct)
- 3 Percent by type (col pct)
- 4 Percent of total plants

Source: Agriculture Canada

Table 33: Number of Packing Plants, by Rate of Growth in Beef Output from 1970 to 1974 by Province

Growth <sup>5</sup>	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	Atlantic	TOTAL
less than .75	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 10.0 3.2	5 50.0 35.7	4 40.0 66.7	10 <sup>4</sup> 12.2
.75 - .90	1 12.5 16.7	2 25.0 16.7	0 0.0 0.0	0 0.0 0.0	3 37.5 9.7	2 25.0 14.3	0 0.0 0.0	8 9.8
.90 - 1.00	1 14.3 16.7	0 0.0 0.0	1 14.3 20.0	0 0.0 0.0	2 28.6 6.5	2 28.6 14.3	1 14.3 16.7	7 8.5
1.00 - 1.10	0 0.0 0.0	1 12.5 8.3	0 0.0 0.0	1 12.5 12.5	6 75.0 19.4	0 0.0 0.0	0 0.0 0.0	8 9.8
1.10 - 1.25	0 0.0 0.0	4 28.6 33.3	0 0.0 0.0	1 7.1 12.5	7 50.0 22.6	2 14.3 14.3	0 0.0 0.0	14 17.1
1.25 - 1.50	0 0.0 0.0	2 20.0 16.7	1 10.0 20.0	2 20.0 25.0	5 50.0 16.1	0 0.0 0.0	0 0.0 0.0	10 12.2
greater than 1.50	4 16.0 66.7	3 12.0 25.0	3 12.0 60.0	4 16.0 50.0	7 28.0 22.6	3 12.0 21.4	1 4.0 16.7	25 30.5
TOTAL	6 <sup>4</sup> 7.3	12 14.6	5 6.1	8 9.8	31 37.8	14 17.1	6 7.3	82 100.0

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by growth rate (row pct)  
<sup>3</sup> Percent by province (col pct)  
<sup>4</sup> Percent of total plants  
<sup>5</sup>  $\frac{1974 \text{ output}}{1970 \text{ output}}$

Source: Agriculture Canada

Table 34: Number of Packing Plants in Ontario, by Rate of Growth in Beef Output from 1970 to 1974, by Size of Plants.

GROWTH <sup>5</sup>	SIZE OF PLANT					Total	('000 cwt.)
	Small 0-50	Medium 50-100	100-250	250-500	Large over 500		
0-.75	1 <sup>1</sup> 100.0 <sup>2</sup> 8.3 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 <sup>4</sup> 3.2 <sup>4</sup>	
.75-.9	0 0.0 0.0	1 33.3 20.0	0 0.0 0.0	2 66.7 50.0	0 0.0 0.0	3 9.7	
.9-1.0	1 50.0 8.3	0 0.0 0.0	1 50.0 12.5	0 0.0 0.0	0 0.0 0.0	2 6.5	
1.0-1.1	0 0.0 0.0	3 50.0 60.0	0 0.0 0.0	1 16.7 25.0	2 33.3 100.0	6 19.4	
1.1-1.25	4 57.1 33.3	0 0.0 0.0	3 42.9 37.5	0 0.0 0.0	0 0.0 0.0	7 22.6	
1.25-1.5	2 40.0 16.7	0 0.0 0.0	2 40.0 25.0	1 20.0 25.0	0 0.0 0.0	5 16.1	
1.5 plus	4 57.1 33.3	1 14.3 20.0	2 28.6 25.0	0 0.0 12.9	0 0.0 6.4	7 22.6 100.0	
Total	12 38.7 <sup>4</sup>	5 16.1	8 25.8	4 12.9	2 6.4	31 100.0	

Table 35: Number of Packing Plants in Alberta, by Rate of Growth in Beef Output from 1970 to 1974, by Size of Plant.

GROWTH <sup>5</sup>	SIZE OF PLANT				Total	('000 cwt.)
	Medium 50-100	100-250	250-500	Large Over 500		
.75-.9	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	1 50.0 20.0	1 50.0 50.0	2 16.7 <sup>4</sup>	
1.0-1.1	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 0.0	1 8.3	
1.1-1.25	0 0.0 0.0	0 0.0 0.0	3 75.0 60.0	1 25.0 50.0	4 33.3	
1.25-1.5	1 50.0 50.0	0 0.0 0.0	1 50.0 20.0	0 0.0 0.0	2 16.7	
1.5 plus	1 33.3 50.0	2 66.7 100.0	0 0.0 0.0	0 0.0 0.0	3 25.0	
Total	2 16.7 <sup>4</sup>	2 16.7	5 41.7	3 25.0	12 100.0	

<sup>1</sup> Number of plants, <sup>2</sup> Percent by Growth rate(row pct), <sup>3</sup> Percent by size (row pct)

<sup>5</sup> Percent of Total plants, <sup>5</sup>  $\frac{\text{Beef Output, 1974}}{\text{Beef Output, 1975}}$

Source: Agriculture Canada.

Table 36: Number of Plants of Major Packers in Canada, by Growth Rate in Beef Output from 1970 to 1974, by Size of Plant.

GROWTH <sup>5</sup>	SIZE OF PLANT					Total ('000 cwt.)
	Small 0-50	50-100	Medium 100-250	250-500	Large over 500	
0-.75	1 <sup>1</sup> 100.0 <sub>3</sub> 50.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 <sub>4</sub> 4.8 <sup>4</sup>
.75-.9	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 50.0 14.3	1 50.0 20.0	2 9.5
1.0-1.1	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 33.3 14.3	2 66.7 40.0	3 14.3
1.1-1.25	0 0.0 0.0	0 0.0 0.0	1 25.0 16.7	2 50.0 28.6	1 25.0 50.0	4 19.0
1.25-1.5	0 0.0 0.0	1 33.3 100.0	0 0.0 0.0	1 33.3 14.3	1 33.3 20.0	3 14.3
1.5 plus	1 12.5 50.0	0 0.0 0.0	5 62.5 83.3	2 25.0 28.6	0 0.0 0.0	8 38.1
Total	2 <sub>4</sub> 9.5 <sup>4</sup>	1 4.8	6 28.6	7 33.3	5 23.8	21 100.0

<sup>1</sup> Number of Plants

<sup>2</sup> Percent by Growth rate (row pct)

<sup>3</sup> Percent by Size (col pct)

<sup>4</sup> Percent of Total Plants

<sup>5</sup>  $\frac{1974 \text{ Beef Output}}{1970 \text{ Beef Output}}$

Source" Agriculture Canada



Table 37: Number of Plants of Independent Packers in Canada, by Growth Rate in Beef Output from 1970 to 1974, by Size of Plant.

GROWTH <sup>5</sup>	SIZE OF PLANT				Total ('000 cwt.)
	Small 0-50	Medium 50-100	100-250	Large over 250	
0-.75	7 <sup>1</sup>	2	0	0	9
	77.8 <sup>2</sup>	22.2	0.0	0.0	14.8 <sup>4</sup>
	19.4 <sup>3</sup>	22.2	0.0	0.0	
.75-.9	3	1	0	2	6
	50.0	16.7	0.0	33.3	9.8
	8.3	11.1	0.0	28.6	
.9-1.0	6	0	1	0	7
	85.7	0.0	14.3	0.0	11.5
	16.7	0.0	12.5	0.0	
1.0-1.1	0	3	0	2	5
	0.0	60.0	0.0	40.0	8.2
	0.0	33.3	0.0	14.3	
1.1-1.25	6	0	3	1	10
	60.0	0.0	30.0	10.0	16.4
	16.7	0.0	37.5	14.3	
1.25-1.5	2	1	2	2	7
	28.6	14.3	28.6	28.6	11.5
	5.6	11.1	25.0	28.6	
1.5 plus	12	2	2	1	17
	70.6	11.8	11.8	5.9	27.9
	33.3	22.2	25.0	14.3	
Total	36 <sup>4</sup>	9	8	7	61
	59.0 <sup>4</sup>	14.8	13.1	28.5	100.0

<sup>1</sup> Number of Plants

<sup>2</sup> Percent by Growth Rate (row pct)

<sup>3</sup> Percent by size (col pct)

<sup>4</sup> Percent of Total Plants

<sup>5</sup>  $\frac{1974 \text{ Beef Output}}{1970 \text{ Beef Output}}$

Source: Agriculture Canada

Table 38: Percentage of Federally Inspected Kill Represented by Commission Packer Survey,  
by Province

	B.C.	ALBERTA	SASKATCHEWAN	MANITOBA	ONTARIO	QUEBEC	ATLANTIC	TOTAL
1971	54.7	71.6	99.9	94.2	68.1	10.0	75.7	71.6
1972	77.9	75.0	99.9	95.1	70.7	10.0	78.8	75.0
1973	84.0	81.6	99.9	95.0	84.0	71.2	80.5	86.2
1974	81.5	85.0	99.9	99.0	82.7	76.2	93.4	88.5

Source: Commission survey, Agriculture Canada

Table 39: Number of Plants of Beef Packers Shipping Carcass Beef, by Percentage of Shipments, by Region, 1974 (Canada)

Percent of Shipments	British Columbia	Northern Alberta	Southern Alberta	Saskatchewan	Manitoba	Ontario	Quebec	Atlantic	Canadian Total
Less than 33%	1 <sup>1</sup> 25.0 <sup>2</sup> 50.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 50.0 11.8	1 25.0 33.3	0 0.0 0.0	4 <sup>4</sup> 7.8 <sup>4</sup>
33% - 50%	1 12.5 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 12.5 16.7	3 37.5 17.6	1 12.5 33.3	2 25.0 50.0	8 15.7
50% - 67%	0 0.0 0.0	2 16.7 50.0	2 16.7 18.2	1 8.3 25.0	0 0.0 0.0	6 50.0 35.3	0 0.0 0.0	1 8.3 25.0	12 23.5
67% - 75%	0 0.0 0.0	2 22.2 50.0	0 0.0 0.0	0 0.0 0.0	2 22.2 33.3	4 44.4 23.5	0 0.0 0.0	0 11.1 25.0	9 17.6
75% - 85%	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 20.0 25.0	2 40.0 33.3	2 40.0 11.8	0 0.0 0.0	0 0.0 0.0	5 9.8
85% - 95%	0 0.0 0.0	0 0.0 0.0	3 60.0 27.3	0 0.0 0.0	1 20.0 16.7	0 0.0 0.0	1 20.0 33.3	0 0.0 0.0	5 9.8
Greater than 95%	0 0.0 0.0	0 0.0 0.0	6 75.0 54.5	2 25.0 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	8 15.7
Total	2 <sup>4</sup> 3.9	4 7.8	11 21.6	4 7.8	6 11.8	17 33.3	3 5.9	4 7.8	51 100.0

Table 40: Number of Plants of Beef Packers Shipping Beef in Carcass and/or Primal From, by Percent of Shipments, by Region, 1974 (Canada)

Percent of Shipments	British Columbia	Northern Alberta	Southern Alberta	Saskatchewan	Manitoba	Ontario	Quebec	Atlantic	Canadian Total
10% - 33%	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 33.3	0 0.0 0.0	1 <sup>4</sup> 2.0 <sup>4</sup>
33% - 50%	1 33.3 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 33.3 5.9	1 33.3 33.3	0 0.0 0.0	3 5.9
50% - 67%	1 25.0 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	3 75.0 75.0	4 7.8
75% - 85%	0 0.0 0.0	2 40.0 50.0	0 0.0 0.0	1 20.0 25.0	0 0.0 0.0	1 20.0 5.9	0 0.0 0.0	1 20.0 25.0	5 9.8
85% - 95%	0 0.0 0.0	1 6.7 25.0	2 13.3 18.2	1 6.7 25.0	4 26.7 66.7	7 46.7 41.2	0 0.0 0.0	0 0.0 0.0	15 29.4
Greater than 95%	0 0.0 0.0	1 4.3 25.0	9 39.1 81.8	2 8.7 50.0	2 8.7 33.3	8 34.8 47.1	1 4.3 33.3	0 0.0 0.0	23 45.1
Total	2 <sup>4</sup> 3.9	4 7.8	11 21.6	4 7.8	6 11.8	17 33.3	3 5.9	4 7.8	51 100.0

<sup>1</sup>Number of Plants, <sup>2</sup>Percent by percent of shipments (row pct), <sup>3</sup>Percent by Province (col pct),

<sup>4</sup>Percent of total plants.

Source: Commission Survey.

Table 41: Number of Plants of Beef Packers Shipping Beef in Carcass Form, by Percent of Shipment, by Type of Ownership, 1974 (Ontario and Alberta)

ALBERTA

Percentage of Shipments	Major	Independent	Total
50-67	2 <sup>1</sup> 50.0 <sup>2</sup> 22.2 <sup>3</sup>	2 50.0 33.3	4 <sup>4</sup> 26.7 <sup>4</sup>
67-75	1 50.0 11.1	1 50.0 16.7	2 13.3
85-95	1 33.3 11.1	2 66.7 33.3	3 20.0
Greater than 95	5 83.3 55.6	1 16.7 16.7	6 40.0
Total	9 <sup>4</sup> 60.0 <sup>4</sup>	6 40.0	15 100.0

ONTARIO

Percentage of Shipments	Major	Independent	Total
Less than 33	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	2 100.0 15.4	2 11.8 <sup>4</sup>
33-50	1 33.3 25.0	2 66.7 15.4	3 17.6
50-67	2 33.3 50.0	4 66.7 30.8	6 35.3
67-75	1 25.0 25.0	3 75.0 23.1	4 23.5
75-85	0 0.0 0.0	2 100.0 15.4	2 11.8
Total	4 <sup>4</sup> 23.5 <sup>4</sup>	13 76.5	17 100.0

<sup>1</sup> Number of plants, <sup>2</sup> Percent by percent of shipments (row pct),  
<sup>3</sup> Percent by ownership (col pct), <sup>4</sup> Percent of total plants.

Source: Commission survey.

Table 42: Number of Plants of Beef Packers Shipping Beef in Carcass and/or Primal Form, by Percent of Shipments, by Size of Plant, 1974 (Ontario and Alberta)

ONTARIO				
Percentage of Shipments	SIZE OF PLANT			Total ('000 cwt.)
	50-100	100-250	Large over 250	
33% - 50%	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	1 100.0 20.0	1 <sup>4</sup> 5.9
75% - 85%	0 0.0 0.0	1 100.0 14.3	0 0.0 0.0	1 5.9
85% - 95%	1 14.3 20.0	3 42.9 42.9	3 42.9 60.0	7 41.2
Greater than 95%	4 50.0 80.0	3 37.5 42.9	1 12.5 20.0	8 47.1
Total	5 <sup>4</sup> 29.4	7 41.2	5 23.5	17 100.0

ALBERTA				
Percentage of Shipments	SIZE OF PLANT			Total ('000 cwt.)
	50-100	100-250	Large over 250	
75% - 85%	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	2 100.0 22.2	2 <sup>4</sup> 13.3
85% - 95%	0 0.0 0.0	1 33.3 50.0	2 66.6 22.2	3 20.0
Greater than 95%	3 30.0 100.0	1 10.0 50.0	6 60.0 60.0	10 66.7
Total	3 <sup>4</sup> 20.0	2 13.3	10 60.0	15 100.0

<sup>1</sup>Number of plants

<sup>2</sup>Percent by Percent of Shipments (row pct)

<sup>3</sup>Percent by size (col pct)

<sup>4</sup>Percent of total plants

Source: Commission survey.

Table 43: Number of Plants of Beef Packers Shipping Beef in Boxed Form, by Percent of Shipments, by Region, by Size, and by Type of Ownership of Plant, 1974 (Canada)

REGION						
Percentage of Shipments	British Columbia	Northern Alberta	Saskatchewan	Manitoba	Ontario	Canada
0 - 10	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	1 20.0 50.0	1 20.0 100.0	1 20.0 100.0	2 40.0 100.0	5 <sup>4</sup> 71.4 <sup>4</sup>
10 - 33	1 50.0 100.0	1 50.0 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 28.6
TOTAL	1 <sup>4</sup> 14.3	2 28.6	1 14.3	1 14.3	2 28.6	7 100.0

SIZE OF PLANT					
Percentage of Shipments	50-100	100-25	250-50	TOTAL	('000 cwt. of beef output)
0 - 10	1 <sup>1</sup> 20.0 <sup>2</sup> 100.0 <sup>3</sup>	1 20.0 50.0	3 60.0 75.0	5 <sup>4</sup> 71.4 <sup>4</sup>	
10 - 33	0 0.0 0.0	1 50.0 50.0	1 50.0 25.0	2 28.6	
TOTAL	1 <sup>4</sup> 14.3	2 28.6	4 57.1	7 100.0	

TYPE OF OWNERSHIP			
Percentage of Shipments	Major	Independent	TOTAL
0 - 10	3 <sup>1</sup> 60.0 <sup>2</sup> 60.0 <sup>3</sup>	2 40.0 100.0	5 <sup>4</sup> 71.4 <sup>4</sup>
10 - 33	2 100.0 40.0	0 0.0 0.0	2 28.6
TOTAL	5 <sup>4</sup> 71.4 <sup>4</sup>	2 28.6	7 100.0

1 Number of Plants

2 Percent by percent of shipments

3 Percent by region, by size, ownership

4 Percent of Total Plants

Source: Commission survey

- <sup>1</sup> Number of Plants  
<sup>2</sup> Percent by percent of shipments  
<sup>3</sup> Percent by region, by size, ownership  
<sup>4</sup> Percent of Total Plants

Source: Commission survey

Table 44: Receipt of Beef by Beef Wholesalers, Total and Percentage, by Province, 1971-1974

Year	British Columbia	Alberta	Manitoba & Saskatchewan	Ontario	Montreal	Quebec	Atlantic	Canada Total
1971	541 <sup>1</sup> 10.6 <sup>2</sup>	101 2.0	33 0.7	402 7.9	3227 63.3	314 6.2	477 9.4	5096
1972	568 10.1	112 2.0	27 0.5	434 7.7	3638 64.7	338 6.0	507 9.0	5624
1973	566 9.1	244 3.9	32 0.5	455 7.3	4195 67.3	290 4.6	453 7.3	6236
1974	581 8.4	561 8.1	41 0.6	493 7.1	4469 64.6	278 4.0	490 7.1	6914

Table 45: Receipts of Beef by Beef Wholesalers in Canada, by Type of Ownership, 1971-1974

Year	Packer Chain	Independent	Retailer Chain	Total
1971	2400 <sup>1</sup> 47.1 <sup>2</sup>	2044 40.1	651 12.8	5096
1972	2594 46.1	2320 41.3	710 12.6	5624
1973	2374 38.1	2392 38.4	1470 23.6	6236
1974	2423 35.1	2539 36.7	1951 28.2	6914

Table 46: Receipts of Beef by Beef Wholesalers in Montreal, by Type of Ownership, 1971-1974

Year	Retailer Packer & Chain	Independent	Total
1971	1284 <sup>1</sup> 39.8 <sup>2</sup>	1943 60.2	3227
1972	1424 39.1	2214 60.9	3638
1973	1963 46.8	2232 53.2	4195
1974	2091 46.8	2378 53.2	4469

<sup>1</sup> '000 cwt of beef

<sup>2</sup> percent of total (row percentage)

Source: Commission Survey

Table 47: Percentage Distribution of Wholesalers by Amount of Total Beef Received, Canada and Montreal, 1971-1974

Size of Plant ( '000 cwt. of receipts per annum)	Small Less than 25	25-50	Medium 50-100	100-150	Large 150-250	250-500	Very Large over 500	Total Plants
<u>1971</u>								
Canada	25.5	21.6	19.6	17.6	5.9	7.8	1.9	51
Montreal	0	18.8	18.8	18.8	12.5	25.0	6.3	16
<u>1972</u>								
Canada	25.5	19.6	19.6	15.7	7.8	9.8	1.9	51
Montreal	0	12.5	25.0	12.5	12.5	31.3	6.3	16
<u>1973</u>								
Canada	24.1	27.8	13.0	16.7	7.4	7.4	3.7	54
Montreal	0	23.5	11.3	11.3	17.6	23.5	11.8	17
<u>1974</u>								
Canada	21.8	21.8	16.4	20.0	5.5	9.1	5.5	55
Montreal	0	11.1	22.2	16.7	11.1	22.2	16.7	18

Source: Commission Survey.



Table 48: Number of Wholesalers in Canada, by Rate of Growth of Beef Receipts from 1971 to 1974, by Province.

Growth <sup>5</sup>	British Columbia	Alberta	Manitoba & Saskatchewan	Ontario	Montreal	Quebec (other)	Atlantic	Canada
0-.75	2 <sup>1</sup> 28.6 <sup>2</sup> 22.2 <sup>3</sup>	2 28.6 50.9	1 14.3 33.3	0 0.0 0.0	1 14.3 5.3	1 14.3 20.0	0 0.0 0.0	7 <sup>4</sup> 13.7
.75-.90	0 0.0 0.0	1 11.1 25.0	0 0.0 0.0	3 33.3 50.0	2 22.2 12.5	1 11.1 20.0	2 22.2 25.0	9 17.6
.90-1.00	2 33.3 22.2	0 0.0 0.0	0 0.0 0.0	1 16.7 16.7	2 33.3 12.5	1 16.7 20.0	0 0.0 0.0	6 11.8
1.00-1.10	2 20.0 22.2	0 0.0 0.0	1 10.0 33.3	1 10.0 16.7	1 10.0 6.3	0 0.0 0.0	5 50.0 62.5	10 19.6
1.10-1.25	2 28.6 22.2	1 14.3 25.0	0 0.0 0.0	0 0.0 0.0	3 42.9 18.8	1 14.3 20.0	0 0.0 0.0	7 13.7
1.25-1.50	1 14.3 11.1	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	5 71.4 31.3	0 0.0 0.0	1 14.3 12.5	7 13.7
greater than 1.50	0 0.0 0.0	0 0.0 0.0	1 20.0 33.3	1 20.0 16.7	2 40.0 12.5	1 20.0 20.0	0 0.0 0.0	5 9.8
Total	9 <sup>4</sup> 17.6	4 7.8	3 5.9	6 11.8	16 31.4	5 9.8	8 15.7	51 100.0

<sup>1</sup> Number of plants

<sup>2</sup> Percent by growth rate

<sup>3</sup> Percent by province

<sup>5</sup> Beef Receipts 1974  
Beef Receipts 1975

Source" Commission Survey.

Table 49: Number of Wholesalers in Canada, by Rate of Growth of Beef Receipts from 1971 to 1974, by Type of Ownership.

Growth <sup>5</sup>	Packer Chain	Independent	Retailer Chain	Total
0-.75	6 <sup>1</sup> 85.7 <sup>2</sup> 18.8 <sup>3</sup>	1 14.3 6.7	.0 0.0 0.0	7 <sup>4</sup> 13.7
.75-.90	6 66.7 18.8	3 33.3 20.0	0 0.0 0.0	9 17.6
.90-1.00	4 66.7 12.5	1 16.7 6.7	1 16.7 25.0	6 11.8
1.00-1.10	9 90.0 28.1	1 10.0 6.7	0 0.0 0.0	10 19.6
1.10-1.25	4 57.1 12.5	2 28.6 13.3	1 14.3 25.0	7 13.7
1.25-1.50	2 28.6 6.3	4 57.1 26.7	1 14.3 35.0	7 13.7
Greater than 1.50	1 20.0 3.1	3 60.0 20.0	1 20.0 25.0	5 9.8
Total	32 <sup>4</sup> 62.7	15 29.4	4 7.8	51 100.0

Table 50: Number of Wholesalers in Montreal, by Rate of Growth of Beef Receipts from 1971 to 1974, by Type of Ownership

Growth <sup>5</sup>	Retailer and Packer Chain	Independent	Total
0-.75	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	1 100.0 7.7	1 <sup>4</sup> 6.3
.75-.90	0 0.0 0.0	2 100.0 15.4	2 12.5
.90-1.00	1 50.0 33.3	1 50.0 7.7	2 12.5
1.00-1.10	0 0.0 0.0	1 100.0 7.7	1 6.3
1.10-1.25	1 33.3 33.3	2 66.7 15.4	3 18.8
1.25-1.50	1 20.0 33.3	4 80.0 30.8	5 31.3
Greater than 1.50	0 0.0 0.0	2 100.0 15.4	2 12.5
Total	3 <sup>4</sup> 18.8	13 81.3	16 100.0

<sup>1</sup>Number of Plants, <sup>2</sup>Percent by growth rate (row pct), <sup>3</sup>Percent by ownership (col pct)

<sup>4</sup>Percent of total plants, <sup>5</sup> Growth =  $\frac{\text{Beef Receipts 1974}}{\text{Beef Receipts 1971}}$   
Source: Commission Survey.

Table 51: Number of Wholesalers in Canada by Rate of Growth of Beef Receipts from 1971 to 1974 by Size of Plant.

GROWTH <sup>5</sup>	SIZE OF PLANT							Total of Receipts) ( '000 cwt.
	Small Less than	Medium		Large			Very Large Over	
	25	25-50	50-100	100-150	150-250	250-500	500	
0-.75	4 <sup>1</sup> 57.1 <sup>2</sup> 30.8 <sup>3</sup>	0 0.0 0.0	2 28.6 20.0	1 14.3 11.1	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	7 <sup>4</sup> 13.7 <sup>4</sup>
.75-.90	1 11.1 7.7	3 33.3 27.3	3 33.3 30.0	2 22.2 22.2	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	9 17.6
.90-1.00	1 16.7 7.7	0 0.0 0.0	0 0.0 0.0	3 50.0 33.3	0 0.0 0.0	2 33.3 50.0	0 0.0 0.0	6 11.8
1.00-1.10	1 10.0 7.7	5 50.0 45.5	2 20.0 20.0	2 20.0 22.2	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	10 19.6
1.10-1.25	2 28.6 15.4	0 0.0 0.0	1 14.3 10.0	0 0.0 0.0	3 42.9 100.0	0 0.0 0.0	1 14.3 100.0	7 13.7
1.25-1.50	2 28.6 15.4	3 42.9 27.3	0 0.0 0.0	1 14.3 11.1	0 0.0 0.0	1 14.3 25.0	0 0.0 0.0	7 13.7
Greater than 1.50	2 40.0 15.4	0 0.0 0.0	2 40.0 20.0	0 0.0 0.0	0 0.0 0.0	1 20.0 25.0	0 0.0 0.0	5 9.8
Total	25.5 <sup>4</sup>	21.6	19.6	17.6	5.9	7.8	2.0	100.0

<sup>1</sup> Number of Plants,

<sup>2</sup> percent by growth rate (row pct)

<sup>3</sup> percent by plant size (col pct)

<sup>4</sup> percent of total plants

<sup>5</sup> Growth =  $\frac{\text{Beef Receipts 1974}}{\text{Beef Receipts 1975}}$

Source: Commission Survey

Table 52: Number of Wholesalers in Montreal, by Rate of Growth of Beef Receipts from 1971 to 1974 by Size of Plant.

GROWTH <sup>5</sup>	SIZE OF PLANT						Total of Total Receipts ('000 cwt.)
	25-50	Medium 50-100	100-150	Large 150-250	250-500	Very Large Over 500	
0 -.75	1 0.0 <sup>2</sup> 0.0	100.0 33.3	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	6.3 <sup>4</sup>
.75-.90	0.0 0.0	0.0 0.0	100.0 66.7	0.0 0.0	0.0 0.0	0.0 0.0	12.5
.90-1.00	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	100.0 50.0	0.0 0.0	12.5
1.00-1.10	0.0 0.0	100.0 33.3	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	6.3
1.10-1.25	0.0 0.0	0.0 0.0	0.0 0.0	66.7 100.0	0.0 0.0	33.3 100.0	18.8
1.25-1.50	60.0 100.0	0.0 0.0	20.0 33.3	0.0 0.0	20.0 25.0	0.0 0.0	31.3
Greater than 1.50	0.0 0.0	50.0 33.3	0.0 0.0	0.0 0.0	50.0 25.0	0.0 0.0	12.5
Total	18.8 <sup>4</sup>	18.8	18.8	12.5	25.0	6.3	100.0

<sup>1</sup> Number of Plants

<sup>2</sup> Percent by Growth rate

<sup>3</sup> Percent by plant size

<sup>4</sup> Percent of total plants

<sup>5</sup> Growth =  $\frac{\text{Beef receipts 1974}}{\text{Beef receipts 1975}}$

Source: Commission Survey

Table 53: Number of Wholesalers Receiving Carcass Beef, by Percentage of Receipts, by Size of Plant, 1974 (Canada)

SIZE '000 cwt. of total receipts	Small less than 25	Medium 25-50	50-100	Large 100-150	150-250	250-500	very Large over 500	Total
Percentage of Receipts	1							
0-33.3	1 <sup>1</sup>	0	0	0	0	0	0	1 <sup>4</sup>
	100.0 <sup>2</sup>	0.0	0.0	0.0	0.0	0.0	0.0	2.6 <sup>4</sup>
	25.0 <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	0.0	
33.3-50	0	0	1	0	0	0	0	1
	0.0	0.0	100.0	0.0	0.0	0.0	0.0	2.6
	0.0	0.0	11.1	0.0	0.0	0.0	0.0	
50-66.7	0	1	2	1	0	0	0	4
	0.0	25.0	50.0	25.0	0.0	0.0	0.0	10.5
	0.0	16.7	22.2	11.1	0.0	0.0	0.0	
66.7-75	0	0	1	1	0	1	0	3
	0.0	0.0	33.3	33.3	0.0	33.3	0.0	7.9
	0.0	0.0	11.1	11.1	0.0	25.0	0.0	
75-85	2	0	1	2	0	0	1	6
	33.3	0.0	16.7	33.3	0.0	0.0	16.7	15.8
	50.0	0.0	11.1	22.2	0.0	0.0	33.3	
85-95	1	1	0	0	2	1	1	6
	16.7	16.7	0.0	0.0	33.3	16.7	16.7	15.8
	25.0	16.7	0.0	0.0	66.7	25.0	33.3	
Greater than 95	0	4	4	5	1	2	1	17
	0.0	23.5	23.5	29.4	5.9	11.8	5.9	44.7
	0.0	66.7	44.4	55.6	33.3	50.0	33.3	
Total	4 <sup>4</sup> 10.5	6 15.8	9 23.7	9 23.7	3 7.9	4 10.5	3 7.9	38 100.0

1 Number of Plants

2 Percent by percent of receipts

3 Percent by size of plant

4 Percent of total plants

Source: Commission Survey

Table 54: Number of Wholesalers Receiving Carcass Beef, by Percentage of Receipts by Size of Plant, 1971 (Canada)

SIZE '000 cwt. of total receipts	Small less than 25	Medium 25-50	50-100	100-150	Large 150-250	250-500	very Large over 500	Total
Percentage of Receipts								
33.3-50	1 <sup>1</sup> 100.0 <sup>2</sup> 25.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 2.9
50-66.7	0 0.0 0.0	2 66.7 28.6	0 0.0 0.0	1 33.3 12.5	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	3 8.8
66.7-75	1 25.0 25.0	0 0.0 0.0	1 25.0 12.5	1 25.0 12.5	0 0.0 0.0	1 25.0 33.3	0 0.0 0.0	4 11.8
75-85	0 0.0 0.0	1 50.0 14.3	0 0.0 0.0	1 50.0 12.5	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 5.9
85-95	1 10.0 25.0	2 20.0 28.6	3 30.0 37.5	1 10.0 12.5	2 20.0 66.7	0 0.0 0.0	1 10.0 100.0	10 29.4
Greater than 95	1 7.1 25.0	2 14.3 28.6	4 28.6 50.0	4 28.6 50.0	1 7.1 33.3	2 14.3 66.7	0 0.0 0.0	14 41.2
Total	4 11.8 <sup>4</sup>	7 20.6	8 23.5	8 23.5	3 8.8	3 8.8	1 2.9	34 100.0

<sup>1</sup> Number of Plants

<sup>2</sup> Percent by percent of receipts (row pct)

<sup>3</sup> Percent by size of plant (col pct)

<sup>4</sup> Percent of total plants

Source: Commission Survey

Table 55: Number of Wholesalers Receiving Carcass and Primal Beef, by Percentage of Receipts, by Size of Plant, 1974 (Canada)

SIZE '000 cwt of total receipts	Small less than 25	Medium 25-50	50-100	100-150	Large 150-250	250-500	very large Over 500	Total
Percentage of Receipts								
75-85	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	2 66.7 22.2	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 33.3 33.3	3 <sup>4</sup> 8.4 <sup>4</sup>
85-95	0 0.0 0.0	1 14.3 20.0	2 28.6 22.2	2 28.6 22.2	1 14.3 33.3	0 0.0 0.0	1 14.3 33.3	7 18.9
Greater than 95	4 14.8 100.0	4 14.8 80.0	5 18.5 55.6	7 25.9 77.8	2 7.4 66.7	4 14.8 100.0	1 3.7 33.3	27 73.0
Total	4 <sup>4</sup> 10.8 <sup>4</sup>	5 13.5	9 24.3	9 24.3	3 8.1	4 10.8	3 8.1	37 100.0

Table 56: Number of Wholesalers Receiving Carcass and Primal Beef, by Percentage of Receipts, By Size of Plant, 1971 (Canada)

SIZE '000 cwt of total receipts	Small less than 25	Medium 25-50	50-100	100-150	Large 150-250	250-500	very Large Over 500	Total
Percentage of Receipts								
85-95	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	2 28.6 28.6	1 14.3 12.5	3 42.9 37.5	0 0.0 0.0	0 0.0 0.0	1 14.3 100.0	7 <sup>4</sup> 20.6 <sup>4</sup>
Greater than 95	4 14.8 100.0	5 18.5 71.4	7 25.9 87.5	5 18.5 62.5	3 11.1 100.0	3 11.1 100.0	0 0.0 0.0	27 79.4
Total	4 <sup>4</sup> 1.8 <sup>4</sup>	7 20.6	5 23.5	8 23.5	3 8.8	3 8.8	1 2.9	34 100.0

- <sup>1</sup> Number of plants
- <sup>2</sup> Percent by percent of receipts
- <sup>3</sup> Percent by Size of plant
- <sup>4</sup> Percent of total plants

Source: Commission survey

Table 57: Number of Wholesalers Receiving Carcass and Primal Beef, by Percentage of Receipts, by Size of Plant, 1974 (Montreal)

SIZE '000 cwt of	Medium		Large			Very Large Over	
total receipts	25-50	50-100	100-150	150-250	250-500	500	Total
Percentage of Receipts							
75-85	0 <sup>1</sup>	0	0	0	0	1	1
	0.0 <sup>2</sup>	0.0	0.0	0.0	0.0	100.0	5.9 <sup>4</sup>
	0.0 <sup>3</sup>	0.0	0.0	0.0	0.0	33.3	
85-95	0	1	0	0	0	1	2
	0.0	50.0	0.0	0.0	0.0	50.0	11.8
	0.0	25.0	0.0	0.0	0.0	33.3	
Greater than 95	2	3	3	2	3	1	14
	14.3	21.4	21.4	14.3	21.4	7.1	82.4
	100.0	75.0	100.0	100.0	100.0	33.3	
Total	2 <sup>4</sup>	4	3	2	3	3	17
	11.8	23.5	17.6	11.8	17.6	17.6	100.0

<sup>1</sup> Number of firms

<sup>2</sup> Percent by percent of receipts (row pct)

<sup>3</sup> Percent by size of plant (col pct)

<sup>4</sup> Percentage of total plants

Source: Commission survey



Table 58: Number of Wholesalers Receiving Carcass Beef by Percentage of Receipts, by Type of Ownership, 1971 and 1974 (Canada).

1971	Type of Ownership	Packer	Independ- ent	Retailer Chain	Total
	Percentage of Receipts				
	0-33.3	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0
	33.3-50	1 100.0 6.7	0 0.0 0.0	0 0.0 0.0	1 2.9
	50-66.7	2 66.7 13.3	1 33.3 6.7	0 0.0 0.0	3 8.8
	66.7-75	3 75.0 20.0	0 0.0 0.0	1 25.0 25.0	4 11.8
	75-85	1 50.0 6.7	0 0.0 0.0	1 50.0 25.0	2 5.9
	85-95	7 70.0 46.7	2 20.0 13.3	1 10.0 25.0	10 29.4
	Greater than 95	1 7.1 6.7	12 85.7 80.0	1 7.1 25.0	14 41.2
	Total	15 <sup>4</sup> 44.1	15 44.1	4 11.8	34 100.0

1974	Type of Ownership	Packer	Independ- ent	Retailer Chain	Total
	Percentage of Receipts				
	0-33.3	1 <sup>1</sup> 100.0 <sup>2</sup> 6.7 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	1 2.6
	33.3-50	0 0.0 0.0	1 100.0 5.9	0 0.0 0.0	1 2.6
	50-66.7	3 75.0 20.0	1 25.0 5.9	0 0.0 0.0	4 10.5
	66.7-75	2 66.7 13.3	0 0.0 0.0	1 33.3 16.7	3 7.9
	75-85	3 50.0 20.0	0 0.0 0.0	3 50.0 50.0	6 15.8
	85-95	4 66.7 26.7	1 16.7 5.9	1 16.7 16.7	6 15.8
	Greater than 95	2 11.8 13.3	14 82.4 82.4	1 5.9 16.7	17 44.7
	Total	15 <sup>4</sup> 39.5	17 44.7	6 15.8	38 100.0

<sup>1</sup>Number of plants  
<sup>2</sup>Percent by percent of receipts  
<sup>3</sup>Percent by ownership type  
<sup>4</sup>Percent of total plants.  
Source: Commission Survey.

Table 59: Number of Wholesalers Receiving Carcass Beef by Percentage of Receipts, by Type of Ownership, 1971 and 1974 (Montreal)

1971	Type of Ownership	Packer	Independ- ent	Retailer Chain	Total
	Percentage of Receipts				
	33.3-50	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 <sup>4</sup> 0.0 <sup>4</sup>
	50-66.7	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0
	66.7-75	0 0.0 0.0	1 100.0 7.7	0 0.0 0.0	1 6.7
	75-85	0 0.0 0.0	0 0.0 0.0	1 100.0 100.0	1 6.7
	85-95	1 33.3 100.0	2 66.7 15.4	0 0.0 0.0	3 20.0
	Greater than 95	0 0.0 0.0	10 100.0 76.9	0 0.0 0.0	10 66.7
	Total	1 <sup>4</sup> 6.7	13 86.7	1 6.7	15 100.0

1974	Type of Ownership	Packer	Independ- ent	Retailer Chain	Total
	Percentage of Receipts				
	33.3-50	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	1 100.0 7.1	0 0.0 0.0	1 <sup>4</sup> 5.9 <sup>4</sup>
	50-66.7	0 0.0 0.0	1 100.0 7.1	0 0.0 0.0	1 5.9
	66.7-75	0 0.0 0.0	0 0.0 0.0	1 100.0 50.0	1 5.9
	75-85	0 0.0 0.0	0 0.0 0.0	1 100.0 50.0	1 5.9
	85-95	1 50.0 100.0	1 50.0 7.1	0 0.0 0.0	2 11.8
	Greater than 95	0 0.0 0.0	11 100.0 78.6	0 0.0 0.0	11 64.7
	Total	1 <sup>4</sup> 5.9	14 82.4	2 11.8	17 100.0

<sup>1</sup> Number of Plants, <sup>2</sup> Percent by percent of receipts, <sup>3</sup> Percent by ownership type

<sup>4</sup> Percent of total plants.

Source: Commission Survey.

Table 60: Number of Wholesalers Receiving Carcass and Primal Beef, by Percentage of Receipts, by Type of Ownership, 1974 and 1971 (Canada)

1971	Type of Ownership	Packer	Independ- ent	Retailer Chain	Total
	Percent of Receipts				
	75-85	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0
	85-95	7 100.0 46.7	0 0.0 0.0	0 0.0 0.0	7 20.6
	Greater than 95	8 29.6 53.3	15 55.6 100.0	4 14.8 100.0	27 79.4
	Total	15 44.1 <sup>4</sup>	15 44.1	4 11.8	34 100.0

1974	Type of Ownership	Packer	Independ- ent	Retailer Chain	Total
	Percent of Receipts				
	75-85	2 <sup>1</sup> 66.7 <sup>3</sup> 14.3	0 0.0 0.0	1 33.3 16.7	3 8.1
	85-95	6 85.7 42.9	1 14.3 5.9	0 0.0 0.0	7 18.9
	Greater than 95	6 22.2 42.9	16 59.3 94.1	5 18.5 83.3	27 73.0
	Total	14 37.8 <sup>4</sup>	17 45.9	6 16.2	37 100.0

<sup>1</sup> Number of plants

<sup>2</sup> Percent by percent of receipts

<sup>3</sup> Percent by ownership type

<sup>4</sup> Percent of total plants

Source: Commission survey

Table 61: Number of Wholesalers Receiving Carcass and Primal Beef, by Percentage of Receipts, by Type of Ownership, 1974 and 1971 (Montreal)

1971	Type of Ownership	Packer	Independ- ent	Retailer Chain	Total
	Percent of Receipts				
	75-85	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0
	85-95	1 100.0 100.0	0 0.0 0.0	0 0.0 0.0	1 6.7
	Greater than 95	0 0.0 0.0	13 92.9 100.0	1 7.1 100.0	14 93.3
	Total	1 <sup>4</sup> 6.7 <sup>4</sup>	13 86.7	1 6.7	15 100.0

1974	Type of Ownership	Packer	Independ- ent	Retailer Chain	Total
	Percent of Receipts				
	75-85	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	1 100.0 50.0	1 <sup>4</sup> 5.9 <sup>4</sup>
	85-95	1 50.0 100.0	1 50.0 7.1	0 0.0 0.0	2 11.8
	Greater than 95	0 0.0 0.0	13 92.9 92.9	1 7.1 50.0	14 82.4
	Total	1 <sup>4</sup> 5.9 <sup>4</sup>	14 82.4	2 11.8	17 100.0

<sup>1</sup> Number of Plants

<sup>2</sup> Percent by Percent of receipts (row pct)

<sup>3</sup> Percent by ownership type (col pct)

<sup>4</sup> Percent of total plants

Source: Commission Survey

Table 62: Number of Wholesalers Shipping Carcass Beef, by Percentage of Shipments, by Size of Plant, 1974 (Canada)

		SIZE: small '000 cwt. of total receipts			medium		large		extra large	
Percentage of Shipments		less than 25	25-50	50-100	100-150	150-250	250-500	over 500	TOTAL	
Nil		0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	3 42.9 33.3	2 28.6 28.6	0 0.0 0.0	0 0.0 0.0	2 28.6 66.7	7 20.0 <sup>4</sup>	
0 - 33.3		1 16.7 25.0	0 0.0 0.0	3 50.0 33.3	0 0.0 0.0	0 0.0 0.0	2 33.3 50.0	0 0.0 0.0	6 17.1	
33.3 - 50		0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	3 60.0 100.0	1 20.0 25.0	1 20.0 33.3	5 14.3	
50 - 66.7		0 0.0 0.0	2 22.2 40.0	3 33.3 33.3	3 33.3 42.9	0 0.0 0.0	1 11.1 25.0	0 0.0 0.0	9 25.7	
66.7 - 75		0 0.0 0.0	1 50.0 20.0	0 0.0 0.0	1 50.0 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 5.7	
75 - 85		2 100.0 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 5.7	
85 - 95		1 33.3 25.0	1 33.3 20.0	0 0.0 0.0	1 33.3 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	3 8.6	
over 95		0 0.0 0.0	1 100.0 20.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 2.9	
TOTAL		4 11.4 <sup>4</sup>	5 14.3	9 25.7	7 20.0	3 8.6	4 11.4	3 8.6	35 100.0	

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by percent of shipments (row pct)  
<sup>3</sup> Percent by size of plant (col pct)  
<sup>4</sup> Percent of total plants

Source: Commission Survey

Table 63: Number of Wholesalers Shipping Carcass Beef, by Percentage of Shipments, by Size of Plant, 1971 (Canada)

SIZE		small	medium		large		extra large		
'000 cwt. of total receipts									
Percentage of Shipments		less than 25	25-50	50-100	100-150	150-250	250-500	over 500	TOTAL
Nil		0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	1 33.3 14.3	1 33.3 14.3	0 0.0 0.0	1 33.3 33.3	0 0.0 0.0	3 10.0 <sup>4</sup>
0	33.3	0 0.0 0.0	1 16.7 16.7	3 50.0 42.9	1 16.7 14.3	0 0.0 0.0	1 16.7 33.3	0 0.0 0.0	6 20.0
33.3 - 50		1 25.0 25.0	0 0.0 0.0	0 0.0 0.0	1 25.0 14.3	1 25.0 50.0	0 0.0 0.0	1 25.0 100.0	4 13.3
50 - 66.7		0 0.0 0.0	1 16.7 16.7 3.3	1 16.7 14.3	2 33.3 28.6	1 16.7 50.0	1 16.7 33.3	0 0.0 0.0	6 20.0
66.7 - 75		1 25.0 25.0	1 25.0 16.7	0 0.0 0.0	2 50.0 28.6	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	4 13.3
75 - 85		0 0.0 0.0	1 50.0 16.7	1 50.0 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 6.7
85 - 95		1 25.0 25.0	2 50.0 33.3	1 25.0 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	4 13.3
over 95		1 100.0 25.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 3.3
TOTAL		4 13.3	6 20.0	7 23.3	7 23.3	2 6.7	3 10.0	1 3.3	30 100.0

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by percent of shipments (row pct)  
<sup>3</sup> Percent by size of plant (col pct)  
<sup>4</sup> Percent of total plants

Table 64: Number of Wholesalers Shipping Carcass Beef, by Percentage of Shipments, by Size of Plant, 1974 (Montreal)

Percentage of Shipments	SIZE: medium '000 cwt. of total receipts			large		extra large	TOTAL
	25-50	50-100	100-150	150-250	250-500	over 500	
Nil	<sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	<sup>1</sup> 33.3 25.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>2</sup> 66.7 66.7	<sup>3</sup> 18.8 <sup>4</sup>
0 - 33.3	<sup>0</sup> 0.0 0.0	<sup>3</sup> 75.0 75.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>1</sup> 25.0 33.3	<sup>0</sup> 0.0 0.0	<sup>4</sup> 25.0
33.3 - 50	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>2</sup> 50.0 100.0	<sup>1</sup> 25.0 33.3	<sup>1</sup> 25.0 33.3	<sup>4</sup> 25.0
50 - 66.7	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>2</sup> 66.7 100.0	<sup>0</sup> 0.0 0.0	<sup>1</sup> 33.3 33.3	<sup>0</sup> 0.0 0.0	<sup>3</sup> 18.8
66.7 - 75	<sup>1</sup> 100.0 50.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>1</sup> 6.3
85 - 95	<sup>1</sup> 100.0 50.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>0</sup> 0.0 0.0	<sup>1</sup> 6.3
TOTAL	<sup>2</sup> 12.5 <sup>4</sup>	<sup>4</sup> 25.0	<sup>2</sup> 12.5	<sup>2</sup> 12.5	<sup>3</sup> 18.8	<sup>3</sup> 18.8	<sup>16</sup> 100.0

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by percent of shipments (row pct)  
<sup>3</sup> Percent by size of plant (col pct)  
<sup>4</sup> Percent of total plants

Source: Commission Survey

Table 65: Number of Wholesalers Shipping Carcass, by Percentage of Shipments, by Size of Plant, 1971 (Montreal)

Percentage of Shipments	SIZE: medium '000 cwt. of total receipts		large		extra large		TOTAL
	25-50	50-100	100-150	150-250	250-500	over 500	
Nil	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 33.3	0 0.0 0.0	1 <sup>4</sup> 7.7
0 - 33.3	1 20.0 33.3	2 40.0 100.0	1 20.0 33.3	0 0.0 0.0	1 20.0 33.3	0 0.0 0.0	5 38.5
33.3 - 50	0 0.0 0.0	0 0.0 0.0	1 33.3 33.3	1 33.3 100.0	0 0.0 0.0	1 33.3 100.0	3 23.1
50 - 66.7	0 0.0 0.0	0 0.0 0.0	1 50.0 33.3	0 0.0 0.0	1 50.0 33.3	0 0.0 0.0	2 15.4
66.7 - 75	1 100.0 33.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 7.7
85 - 95	1 100.0 33.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 7.7
TOTAL	3 <sup>4</sup> 23.1	2 15.4	3 23.1	1 7.7	3 23.1	1 7.7	13 100.0

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by percent of shipments (row pct)  
<sup>3</sup> Percent by size of plant (col pct)  
<sup>4</sup> Percent of total plants

Source: Commission Survey



Table 66: Number of Wholesalers Shipping Carcass and Primal Beef, by Percentage of Shipments, by Size of Plant, 1974 (Canada)

SIZE '000 cwt. of total receipts	small		medium		large		very large	
Percentage of Shipments	less than 25	25-50	50-100	100-150	150-250	250-500	Over 500	TOTAL
Nil	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	3 42.9 33.3	2 28.6 28.6	0 0.0 0.0	0 0.0 0.0	2 28.6 66.7	7 <sup>4</sup> 20.0 <sup>4</sup>
0 - 33.3	0 0.0 0.0	0 0.0 0.0	3 75.0 33.3	0 0.0 0.0	0 0.0 0.0	1 25.0 25.0	0 0.0 0.0	4 11.4
50 - 66.7	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 2.9
66.7 - 75	0 0.0 0.0	0 0.0 0.0	2 66.7 22.2	1 33.3 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	3 8.6
75 - 85	0 0.0 0.0	1 33.3 20.0	1 33.3 11.1	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 33.3 33.3	3 8.6
85 - 95	0 0.0 0.0	1 12.5 20.0	0 0.0 0.0	3 37.5 42.9	3 37.5 100.0 8.6	1 12.5 25.0	0 0.0 0.0	8 22.9
over 95	4 44.4 100.0	3 33.3 60.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 22.2 50.0	0 0.0 0.0	9 25.7
TOTAL	4 <sup>4</sup> 11.4 <sup>4</sup>	5 14.3	9 25.7	7 20.0	3 8.6	4 11.4	3 8.6	35 100.0

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by percent of shipments (row pct)  
<sup>3</sup> Percent by size of plant (col pct)  
<sup>4</sup> Percent of total plants

Source: Commission Survey

Table 67: Number of Wholesalers Shipping Carcass and Primal Beef, by Percentage of Shipments, by Size of Plant, 1971 (Canada)

Percentage of Shipments	small '000 cwt. of total receipts		medium		large		very large	
	less than 25	25-50	50-100	100-150	150-250	250-500	Over 500	TOTAL
Nil	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	1 33.3 14.3	1 33.3 14.3	0 0.0 0.0	1 33.3 33.3	0 0.0 0.0	3 <sup>4</sup> 10.0 <sup>4</sup>
0 - 33.3	0 0.0 0.0	1 25.0 16.7	2 50.0 28.6	1 25.0 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	4 13.3
50 - 66.7	0 0.0 0.0	0 0.0 0.0	1 50.0 14.3	1 50.0 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 6.7
66.7- 75	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 14.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 3.3
75 - 85	0 0.0 0.0	0 0.0 0.0	1 33.3 14.3	0 0.0 0.0	1 33.3 50.0	0 0.0 0.0	1 33.3 100.0	3 10.0
85 - 95	0 0.0 0.0	2 25.0 33.3	2 25.0 28.6	3 37.5 42.9	1 12.5 50.0	0 0.0 0.0	0 0.0 0.0	8 26.7
greater than 95	4 44.4 100.0	3 33.3 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 22.2 66.7	0 0.0 0.0	9 30.0
TOTAL	4 13.3 <sup>4</sup>	6 20.0	7 23.3	7 23.3	2 6.7	3 10.0	1 3.3	30 100.0

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by percent of shipments (row pct)  
<sup>3</sup> Percent by size of plant (col pct)  
<sup>4</sup> Percent of total plants

Source: Commission Survey

Table 68: Number of Wholesalers Shipping Carcass and Primal Beef, by Percentage of Shipment, by Size of Plant, 1974 (Montreal)

Percentage of Shipments	medium '000 cwt. of total receipts		large		very large		TOTAL
	25-50	50-100	100-150	150-250	250-500	over 500	
Nil	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 33.3 <sup>2</sup> 25.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 2 <sup>2</sup> 66.7 <sup>3</sup> 66.7	<sup>1</sup> 3 <sup>2</sup> 18.8 <sup>3</sup> 18.8
0 - 33.3	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 3 <sup>2</sup> 100.0 <sup>3</sup> 75.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 3 <sup>2</sup> 18.8 <sup>3</sup> 18.8
50 - 66.7	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 1 <sup>2</sup> 100.0 <sup>3</sup> 50.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 1 <sup>2</sup> 6.3 <sup>3</sup> 6.3
75 - 85	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 1 <sup>2</sup> 100.0 <sup>3</sup> 33.3	<sup>1</sup> 1 <sup>2</sup> 6.3 <sup>3</sup> 6.3
85 - 95	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 1 <sup>2</sup> 25.0 <sup>3</sup> 50.0	<sup>1</sup> 2 <sup>2</sup> 50.0 <sup>3</sup> 100.0	<sup>1</sup> 1 <sup>2</sup> 25.0 <sup>3</sup> 33.3	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 4 <sup>2</sup> 25.0 <sup>3</sup> 25.0
greater than 95	<sup>1</sup> 2 <sup>2</sup> 50.0 <sup>3</sup> 100.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 2 <sup>2</sup> 50.0 <sup>3</sup> 66.7	<sup>1</sup> 0 <sup>2</sup> 0.0 <sup>3</sup> 0.0	<sup>1</sup> 4 <sup>2</sup> 25.0 <sup>3</sup> 25.0
TOTAL	<sup>1</sup> 2 <sup>2</sup> 12.5 <sup>3</sup> 12.5	<sup>1</sup> 4 <sup>2</sup> 25.0 <sup>3</sup> 25.0	<sup>1</sup> 2 <sup>2</sup> 12.5 <sup>3</sup> 12.5	<sup>1</sup> 2 <sup>2</sup> 12.5 <sup>3</sup> 12.5	<sup>1</sup> 3 <sup>2</sup> 18.8 <sup>3</sup> 18.8	<sup>1</sup> 3 <sup>2</sup> 18.8 <sup>3</sup> 18.8	<sup>1</sup> 16 <sup>2</sup> 100.0 <sup>3</sup> 100.0

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by percent of shipments (row pct)  
<sup>3</sup> Percent by size of plant (col pct)  
<sup>4</sup> Percent of total plants

Source: Commission Survey

Table 69: Number of Wholesalers Shipping Carcass and Primal Beef by Percentage of Shipments, by Type of Ownership, 1974 and 1971 (Canada)

Percentage of Shipments	1974				1971			
	Type of Ownership				Type of Ownership			
	Packer	Inde- pendent	Retailer Chain	Total	Packer	Inde- pendent	Retailer Chain	Total
Nil	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	4 57.1 25.0	3 42.9 50.0	7 20.0 <sup>4</sup>	0 0.0 0.0	2 66.7 15.4	1 33.3 25.0	3 10.0
0 - 33.3	0 0.0 0.0	3 75.0 18.8	1 25.0 16.7	4 11.4	0 0.0 0.0	3 75.0 23.1	1 25.0 25.0	4 13.3
50 - 66.7	0 0.0 0.0	1 100.0 6.3	0 0.0 0.0	1 2.9	0 0.0 0.0	2 100.0 15.4	0 0.0 0.0	2 6.7
66.7 - 75	3 100.0 23.1	0 0.0 0.0	0 0.0 0.0	3 8.6	1 100.0 7.7	0 0.0 0.0	0 0.0 0.0	1 3.3
75 - 85	3 100.0 23.1	0 0.0 0.0	0 0.0 0.0	3 8.6	2 66.7 15.4 6.7	1 33.3 7.7 3.3	0 0.0 0.0	3 10.0
85 - 95	3 37.5 23.1	4 50.0 25.0	1 12.5 16.7	8 22.9	6 75.0 46.2 20.0	1 12.5 7.7 3.3	1 12.5 25.0 3.3	8 26.7
greater than 95	4 44.4 30.8	4 44.4 12.5	1 11.1 16.7	9 25.7	4 44.4 30.8 13.3	4 44.4 30.8 13.3	1 11.1 25.0 3.3	9 30.0
TOTAL	13 37.1 <sup>4</sup>	16 45.7	6 17.1	35 100.0	13 43.3	13 43.3	4 13.3	30 100.0

- 1 Number of plants
- 2 Percent by percent of shipments (row pct)
- 3 Percent by ownership type (col pct)
- 4 Percent of total plants

Source: Commission survey

Table 70: Number of Wholesalers Shipping Carcass and Primal Beef by Percentage of Shipments, by Type of Ownership, 1974 and 1971 (Montreal)

1974				1971			
Type of Ownership				Type of Ownership			
Percentage of Shipments	Independent	Retailer and Packer Chain	Total	Independent	Retailer and Packer Chain	Total	
Nil	2 <sup>1</sup> 56.7 <sup>2</sup> 15.4 <sup>3</sup>	1 33.3 33.3	3 <sup>4</sup> 18.8	1 100.0 9.1	0 0.0 0.0	1 7.7	
0 - 33.3	3 100.0 23.1	0 0.0 0.0	3 18.8	3 100.0 27.3	0 0.0 0.0	3 23.1	
50 - 66.7	1 100.0 7.7	0 0.0 0.0	1 6.3	2 100.0 18.2	0 0.0 0.0	2 15.4	
75 - 85	0 0.0 0.0	1 100.0 33.3	1 6.3	1 50.0 9.1	1 50.0 50.0	2 15.4	
85 - 95	4 100.0 30.8	0 0.0 0.0	4 25.0	1 100.0 9.1	0 0.0 0.0	1 7.7	
Over 95	3 75.0 23.1	1 25.0 33.3	4 25.0	3 75.0 27.3	1 25.0 50.0	4 30.8	
TOTAL	13 <sup>4</sup> 81.3	3 18.7	16 100.0	11 84.6	2 15.4	13 100.0	

- <sup>1</sup> Number of plants  
<sup>2</sup> Percent by percent of shipments (row pct)  
<sup>3</sup> Percent by ownership type (col pct)  
<sup>4</sup> Percent of total plants

Source: Commission survey.

Table 71 Size of Retail Operations, by Location, 1974 (Canada)

Size '000 cwt. of receipts	Vancouver	Edmonton	Calgary	Regina	Winnipeg	Thunder Bay	Toronto	London	Montreal	Halifax	Survey TOTAL
0 - 50	2 <sup>1</sup> 8.3 <sup>2</sup> 50.0 <sup>3</sup>	0 0.0 0.0	1 4.2 33.3	3 12.5 100.0	2 8.3 50.0	3 12.5 75.0	3 12.5 37.5	6 25.0 75.0	2 8.3 25.0	2 8.3 66.7	24 <sup>4</sup> 51.1
50 - 100	1 12.5 25.0	0 0.0 0.0	1 12.5 33.3	0 0.0 0.0	1 12.5 25.0	0 0.0 0.0	2 25.0 25.0	1 12.5 12.5	1 12.5 12.5	1 12.5 33.3	8 17.0
100 - 250	1 9.1 25.0	2 18.2 100.0	1 9.1 33.3	0 0.0 0.0	1 9.1 25.0	1 9.1 25.0	2 18.2 25.0	1 9.1 12.5	2 18.2 25.0	0 0.0 0.0	11 23.4
250 - 500	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 100.0 25.0	0 0.0 0.0	2 4.3
500 - 750	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 50.0 12.5	0 0.0 0.0	1 50.0 12.5	0 0.0 0.0	2 4.3
TOTAL	4 <sup>4</sup> 5.5	2 4.3	3 6.4	3 6.4	4 <sup>4</sup> 8.5	4 8.5	8 17.0	8 17.0	8 17.0	3 6.4	47 100.0

- <sup>1</sup> Number of operations  
<sup>2</sup> Percent by size (row pct)  
<sup>3</sup> Percent by location (col pct)  
<sup>4</sup> Percent of total operations

Source: Commission survey

Table 72: Size of Retail Operations, by Type of Ownership, 1974 (Canada)

Size '000 cwt. of receipts	Corporation	Voluntary Chain <sup>5</sup>	Survey TOTAL
0 - 50	19 <sup>1</sup> 79.2 <sup>2</sup> 54.3 <sup>3</sup>	5 20.8 41.7	24 51.1 <sup>4</sup>
50 - 100	5 62.5 14.3	3 37.5 25.0	8 17.0
100 - 250	9 81.8 25.7	2 18.2 16.7	11 23.4
250 - 500	0 0.0 0.0	2 100.0 16.7	2 4.3
500 - 750	2 100.0 5.7	0 0.0 0.0	2 4.3
TOTAL	35 74.5 <sup>4</sup>	12 23.4	47 100.0

- <sup>1</sup> Number of operations  
<sup>2</sup> Percent by size (row pct)  
<sup>3</sup> Percent by ownership type (col pct)  
<sup>4</sup> Percent of total operations  
<sup>5</sup> Includes one independent

Source: Commission survey

Table 73: Number of Retail Operations Receiving Carcass Beef, by Percentage of Receipts, by Region, 1974 (Canada)

Percentage of Receipts	Vancouver	Edmonton	Calgary	Regina	Winnipeg	Thunder Bay	Toronto	London	Montreal	Halifax	Survey TOTAL
0	2 <sup>1</sup> 22.2 50.0	0 0.0 0.0	0 0.0 0.0	1 11.1 33.3	0 0.0 0.0	1 11.1 25.0	2 22.2 25.0	2 22.2 25.0	1 11.1 12.5	0 0.0 0.0	9 <sup>4</sup> 19.1 10.6
less than 10	1 20.0 25.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 20.0 25.0	1 20.0 12.5	1 20.0 12.5	1 20.0 12.5	0 0.0 0.0	5 10.6 10.6
10 - 33.3	0 0.0 0.0	1 20.0 50.0	1 20.0 33.3	1 20.0 33.3	1 20.0 25.0	0 0.0 0.0	0 0.0 0.0	1 20.0 12.5	0 0.0 0.0	0 0.0 0.0	0 10.6 10.6
33.3 - 50	0 0.0 0.0	0 0.0 0.0	2 100.0 66.7	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 4.3 4.3
50 - 66.7	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 12.5 25.0	0 0.0 0.0	0 0.0 0.0	3 37.5 37.5	4 50.0 50.0	0 0.0 0.0	8 17.0 17.0
66.7 - 95	1 5.9 25.0	0 0.0 0.0	0 0.0 0.0	1 5.9 33.3	2 11.8 50.0	2 11.8 50.0	5 29.4 62.5	1 5.9 12.5	2 11.8 25.0	3 17.6 100.0	17 36.2 36.2
greater than 95	0 0.0 0.0	1 100.0 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 2.1 2.1
TOTAL	4 <sup>4</sup> 8.5	2 4.3	3 6.4	3 6.4	4 8.5	4 8.5	8 17.0	8 17.0	8 17.0	3 6.4	47 100.0

- <sup>1</sup> Number of operations  
<sup>2</sup> Percent by percent of receipts (row pct)  
<sup>3</sup> Percent by location (col pct)  
<sup>4</sup> Percent of total operations

Source: Commission survey



Table 74: Number of Retail Operations Receiving Carcass and/or Primal Beef, by Percentage of Receipts, by Region, 1974 (Canada)

Percentage of Receipts	Vancouver	Edmonton	Calgary	Regina	Winnipeg	Thunder Bay	Toronto	London	Montreal	Halifax	Survey TOTAL
0	0 <sup>1</sup> 0.0 <sup>2</sup> 0.0 <sup>3</sup>	0 0.0 0.0	0 0.0 0.0	1 14.3 33.3	0 0.0 0.0	1 14.3 25.0	2 28.6 25.0	2 28.6 25.0	1 14.3 12.5	0 0.0 0.0	7 14.9 <sup>4</sup>
less than 10	2 100.0 50.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 4.3
10 - 33.3	1 14.3 25.0	1 14.3 50.0	1 14.3 33.3	0 0.0 0.0	0 0.0 0.0	1 14.3 25.0	1 14.3 12.5	1 14.3 12.5	1 14.3 12.5	0 0.0 0.0	7 14.9
33.3 - 50	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 12.5	0 0.0 0.0	0 0.0 0.0	1 2.1
66.7 - 80	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 12.5	0 0.0 0.0	1 2.1
80 - 95	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	3 21.4 75.0	1 7.1 25.0	3 21.4 37.5	4 28.6 50.0	1 7.1 12.5	2 14.3 66.7	14 29.6
greater than 95	1 6.7 25.0	1 6.7 50.0	2 13.3 66.7	2 13.3 66.7	1 6.7 25.0	1 6.7 25.0	2 13.3 25.0	0 0.0 0.0	4 26.7 50.0	1 6.7 33.3	15 31.9
TOTAL	4 <sup>4</sup> 8.5	2 4.3	3 6.4	3 6.4	4 8.5	4 8.5	8 17.0	8 17.0	8 17.0	3 6.4	47 100.0

- <sup>1</sup> Number of operations  
<sup>2</sup> Percent by percent of receipts (row pct)  
<sup>3</sup> Percent by location (col pct)  
<sup>4</sup> Percent of total operations

Source: Commission survey

Table 75: Number of Retail Operations Receiving Boxed Beef, by Percentage of Receipts, by Region, 1974 (Canada)

Percentage of Receipts	Vancouver	Edmonton	Calgary	Regina	Winnipeg	Thunder Bay	Toronto	London	Montreal	Halifax	Survey TOTAL
0	1 <sup>1</sup> 3.1 <sup>2</sup> 25.0 <sup>3</sup>	1 3.1 50.0	2 6.3 66.7	3 9.4 100.0	4 12.5 100.0	3 9.4 75.0	6 18.8 75.0	5 15.6 62.5	4 12.5 50.0	3 9.4 100.0	32 <sup>4</sup> 68.1
less than 10	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 12.5	0 0.0 0.0	1 2.1
10 - 33.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 12.5	0 0.0 0.0	1 2.1
33.3 - 50	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 12.5	0 0.0 0.0	0 0.0 0.0	1 2.1
50 - 66.7	0 0.0 0.0	1 50.0 50.0	1 50.0 33.3	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	2 4.3
66.7 - 95	3 33.3 75.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 11.1 25.0	1 11.1 12.5	2 22.2 25.0	2 22.2 25.0	0 0.0 0.0	9 19.1
greater than 95	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 12.5	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 2.1
TOTAL	4 <sup>4</sup> 8.5	2 4.3	3 6.4	3 6.4	4 8.5	4 8.5	8 17.0	8 17.0	8 17.0	3 6.4	47 100.0

- 1 Number of operations
- 2 Percent by percent of receipts (row pct)
- 3 Percent by location (col pct)
- 4 Percent of total operations

Source: Commission survey

Table 76: Number of Retail Operations Receiving Carcass and/or Primal Beef, by Percentage of Receipts, by Type of Ownership, 1974 (Canada)

Percentage of receipts	Corporate Chains	Voluntary Chains <sup>5</sup>	Survey TOTAL
0	7 <sup>1</sup> 100.0 <sup>2</sup> 20.0 <sup>3</sup>	0 0.0 0.0	7 <sup>4</sup> 14.9 <sup>4</sup>
less than 10	2 100.0 5.7	0 0.0 0.0	2 4.3
10 - 33.3	7 100.0 20.0	0 0.0 0.0	7 14.9
33.3 - 50	0 0.0 0.0	1 100.0 8.3	1 2.1
50 - 66.7	0 0.0 0.0	1 100.0 8.3	1 2.1
66.7 - 80	0 0.0 0.0	1 100.0 8.3	1 2.1
80 - 95	9 64.3 25.7	5 35.7 41.7	14 29.8
greater than 95	10 66.7 28.6	5 33.3 41.7	15 31.9
TOTAL	35 74.5	12 23.4	47 100.0

Table 77: Number of Retail Operations Receiving Boxed Beef, by Percentage of Receipts, by Type of Ownership, 1974 (Canada)

Percentage of receipts	Corporate Chains	Voluntary Chains <sup>5</sup>	Survey TOTAL
0	22 <sup>1</sup> 68.8 <sup>2</sup> 62.9	10 31.2 83.3	32 <sup>4</sup> 68.1 <sup>4</sup>
less than 10	1 100.0 2.9	0 0.0 0.0	1 2.1
10 - 33.3	0 0.0 0.0	1 100.0 8.3	1 2.1
33.3 - 50	0 0.0 0.0	1 100.0 8.3	1 2.1
50 - 66.7	2 100.0 5.7	0 0.0 0.0	2 4.3
66.7 - 95	9 100.0 25.7	0 0.0 0.0	9 19.1
greater than 95	1 100.0 2.9	0 0.0 0.0	1 2.1
TOTAL	35 74.5 <sup>4</sup>	12 23.4	47 100.0

- <sup>1</sup> Number of operations
- <sup>2</sup> Percent by percent of receipts (row pct)
- <sup>3</sup> Percent by ownership type (col pct)
- <sup>4</sup> Percent of total operations
- <sup>5</sup> Includes one independent

Source: Commission survey

Table 78: Number of Retail Operations Receiving Carcass and/or Primal Beef, by Percentage of Receipts, by Size of Firm, 1974 (Canada)

Percentage of receipts		Size ('000 cwt. of receipts)					Survey TOTAL
		0-50	50-100	100-250	250-500	500-750	
less than	0	4 <sup>1</sup> 57.1 <sup>2</sup> 16.7 <sup>3</sup>	1 14.3 12.5	1 14.3 9.1	0 0.0 0.0	1 14.3 50.0	7 14.9 <sup>4</sup>
	10	1 50.0 4.2	0 0.0 0.0	1 50.0 9.1	0 0.0 0.0	0 0.0 0.0	2 4.3
	10 - 33.3	5 71.4 20.8	0 0.0 0.0	2 28.6 18.2	0 0.0 0.0	0 0.0 0.0	7 14.9
	33.3 - 50	1 100.0 4.2	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 2.1
	66.7 - 80	0 0.0 0.0	0 0.0 0.0	0 0.0 0.0	1 100.0 50.0	0 0.0 0.0	1 2.1
	80 - 95	7 50.0 29.2	1 7.1 12.5	5 35.7 45.5	0 0.0 0.0	1 7.1 50.0	14 29.8
	95.	6 40.0 25.0	6 40.0 75.0	2 13.3 18.2	1 6.7 50.0	0 0.0 0.0	15 31.9
	TOTAL	24 51.1 <sup>4</sup>	8 17.0	11 23.4	2 4.3	2 4.3	47 100.0

- <sup>1</sup> Number of operations
- <sup>2</sup> Percent by percent of receipts
- <sup>3</sup> Percent by size
- <sup>4</sup> Percent of total operations

Source: Commission survey

Table 79: Number of Retail Operations Receiving Boxed Beef, by Percentage of Receipts, by Size of Firm, 1974 (Canada)

Percentage of receipts	Size ('000 cwt. of receipts)					Survey TOTAL
	0-50	50-100	100-250	250-500	500-750	
less than	0	16 <sup>1</sup>	7	7	1	1
		50.0 <sup>2</sup>	21.9	21.9	3.1	3.1
		66.7 <sup>3</sup>	87.5	63.6	50.0	50.0
10		0	0	1	0	0
		0.0	0.0	100.0	0.0	0.0
		0.0	0.0	9.1	0.0	0.0
10 - 33.3		0	0	0	1	0
		0.0	0.0	0.0	100.0	0.0
		0.0	0.0	0.0	50.0	0.0
33.3 - 50		1	0	0	0	0
		100.0	0.0	0.0	0.0	0.0
		4.2	0.0	0.0	0.0	0.0
50 - 66.7		0	0	2	0	0
		0.0	0.0	100.0	0.0	0.0
		0.0	0.0	18.2	0.0	0.0
66.7 - 95		7	0	1	0	1
		77.8	0.0	11.1	0.0	11.1
		29.2	0.0	9.1	0.0	50.0
greater than	95.	0	1	0	0	0
		0.0	100.0	0.0	0.0	0.0
		0.0	12.5	0.0	0.0	0.0
<hr/>						
TOTAL						
	24	8	11	2	2	47
	51.1 <sup>4</sup>	17.0	23.4	4.3	4.3	100.0

- <sup>1</sup> Number of operations  
<sup>2</sup> Percent by percent of receipts  
<sup>3</sup> Percent by size  
<sup>4</sup> Percent of total operations

Source: Commission survey