Canadian Luing Cattle Association Newsletter

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Message From The Secretary

Iain Aitken

Welcome to our 2025 Winter Newsletter. What a great time to be in the cattle business! I expand on that thought in an article in this edition as well as ponder the risks and an opportunity going forward.
Meanwhile we are working away quietly trying to increase Luing numbers to supply more customers. Our focus remains on breeding cattle with the traditional characteristics of the breed. We then use line-breeding to build prepotency of these characteristics. Finally the cattle are all raised absolutely commercially - so we know that they will be able to succeed under real world ranch conditions.

Many thanks to our repeat customers across Canada who purchased bulls last year and also to the following customers who purchased Luing genetics for the first time in 2024:

Curtis McChesney, Kelvington, SK
Wayne McDonald, Cartwright, MB
Kurt Hoogland, Blackfaulds, AB
Alpha NDT Ltd, Irma, AB

Luings Currently for Sale

A selection of rising 2 year old bulls are available Located Belmont, Manitoba.
Trucking across Canada can be arranged and bulls can also be tested for export to the USA. Luing semen also available, please see our website www.luingcattle.com or contact me for further information.

State of the Industry
By Iain Aitken

We are living through truly remarkable times in the cattle industry at the moment. I doubt anyone could have predicted a few years ago the prices that all categories of cattle are currently trading at. It's particularly pleasing to see the increased prices being enjoyed by the cow/calf sector which has suffered woeful financial returns for most of the last two and a half decades. While these record prices are something to be celebrated I can't help but wonder why and how they came about?

We hear much talk of shrinking cattle numbers in both Canada and the USA, our major trading partner. While cow numbers are dramatically down beef production really isn't as production methods have become more efficient and feedlots are taking cattle through to ever increasing carcass weights. I believe as recently as the 1980s average carcass weights in western Canada were only around 650lb whereas today they are topping 900lbs on a regular basis! So if the actual tonnage of beef being produced doesn't reflect the contraction of the cow herd what other factors are driving the huge increase in live cattle prices?
Other than supply you've got to think the retail price of beef would be the obvious thing that drives the price of live cattle. I certainly see some extremely high priced beef on the

supermarket shelves. A 5lb Prime Rib roast for example that retails at $140 makes for an expensive meal any way you look at it. On the other hand I still see lean ground hamburger in the $5-6/lb range which nutritionally will still make it a lot better buy than most of the processed foods on offer in the same store. So on balance I don't think retail beef prices are high enough to cause the live cattle price surge we are seeing.
The packers and retailers have long been accused of taking far too large a share of the retail beef dollar which in times past was believed to have been responsible for the financial misfortune of the cow/calf sector.
While I believe that to be largely true I don't understand the reason that would make them voluntarily pay substantially more for slaughter cattle now. They have never been known for their generosity in the past and the monopolies they enjoy at both packer and retailer levels haven't been curtailed, or even challenged, by Governments of any level.
The final factor I can think of, but one which probably has minimal impact, is the almost complete collapse of

demand for “fake meat”. The consumers that were tempted to try these products, whether they believed the vegan advocates or those concerned about Climate Change, are clearly back buying beef.

From this analysis I can form no clear conclusion but suspect the various may all play a contributory role in driving cattle prices higher.

While it’s great to see all categories of cattle selling higher than ever before not all farmers and ranchers are necessarily benefitting to the same extent. I am aware that many ranchers went into this high price period with greatly reduced herds due to successive years of drought. While they are achieving high prices for the calves they sell, it might only be half or two thirds of the calves they would have sold historically. This type of ranch de-stocking has a long lasting financial impact as many of the fixed costs remain the same during the period they are operating at a reduced stocking rate. As many of the ranchers worst affected by recent droughts were in Southern Alberta/ Saskatchewan I suspect they would be the purchasers of most of the expensive $4500 and upwards commercial bred heifers sold last Fall. I hope this works out for these ranchers and they don’t suffer the double whammy of recurring drought and collapsing cattle prices before these heifers have earned back their purchase price.

By contrast, in my area, the cow herd liquidation continued with many older producers taking the opportunity to lock in record high prices and exit the industry at the top. Many of the grain farms that traditionally ran small cow herds continue to liquidate their cow herds, often when the operational decisions are transferred from an older generation to a younger one. The pattern around here seems to be that the cows go first, followed soon after by the remaining trees to make way for ever larger scale mono-crop agriculture.

Overall it doesn’t look there is any significant move to rebuild the national herd. Drought depleted herds may be restocking but this is largely offset by the dispersals emanating from an aging ranching demographic. With heifer calf prices so high it’s tempting for ranchers to cash in on at least some of their potential replacement females rather than rebuild the “factory” that future year’s calves come from.

Another segment of the cattle industry that is largely missing out on increased cattle prices are those who

choose to direct-market beef to consumers. We have been involved in this sector directly and indirectly since 2003 and for twenty of those years it has financially outperformed commodity cattle sales. The situation has reversed in the last couple of years however which has led to many of the less committed direct-marketers reverting to selling calves into the commodity system. While this has freed up slaughter capacity which was once the weakest link in the chain it has also resulted in higher processing costs for those remaining as the butchers have to spread their overhead costs over a reduced number of animals. It would be a shame if the supply of direct-to-consumer meat products were to shrink to the point it couldn't fulfil the market demand that farmers and ranchers have carefully built over recent years.

While higher live cattle prices are long overdue and most welcome it seems there is an unease amongst many ranchers as they wonder how long they will last. Historically this is a business ruled by the cattle cycle - high prices triggering heifer retention

that results in more calves and lower prices. This cycle is looking different in that high prices don't appear to be triggering heifer retention yet. Even without herd expansion it appears that there are many things that could trigger a rapid drop in cattle prices. Of most immediate concern is the issue of tariffs and how trade with the USA will fare under the Trump administration. Apart from the immediate risk to cross border trading a more isolationist America has potential to cause wider global trade chaos.

Another risk that concerns me is the animal disease threat. At the moment US imports of Mexican feeder cattle are restricted due to the screw worm. The US has its own issue with Avian Flu spreading amongst its dairy herds. The Bluetongue virus is spreading across north west Europe and some cases of Hoof and Mouth (FMD) have occurred recently in Germany.
Hopefully none of these things will affect us and the higher cattle prices will persist or become the norm but it is clear that we face considerable risk going forward on many fronts.

Methane Inhibitors - Problem or solution?

By Iain Aitken

Agriculture, and the lowly cow in particular, have been the focus of much blame in recent years for their impact on climate change. While I don't see them as the cause there is no doubt that cattle do contribute to emissions through their production of methane which is 28 times more potent than CO2 as a greenhouse gas.

To counter these negative effects cattle do offer a number of environmental advantages that they often aren't credited with. Farmers or ranchers who understand how to properly manage cattle and pastures with long rest periods between grazings can sequester considerable amounts of CO2 and build soils. Methane can also be sequestered through bacteria called methanotrophs in well managed soils although the scale of this sequestration is hard to quantify. A final irony that should be pointed out is that a blade of grass will emit the same amount of methane if it is consumed by a cow or left to decompose naturally. From this perspective it's surely better to have the cow graze the forage and convert it to beef than leave it un-grazed?

A new tool has emerged that can be used to reduce the methane emissions from cattle called a methane inhibitor. Methane inhibitors work by directly targeting and blocking the enzymes within the gut microbes of cattle, specifically the methanogens, which are responsible for producing methane during digestion.

Methane inhibitors came to my attention a few months ago due to the Bovaer scandal in the United Kingdom where the milk processing company Arla announced that a few of their dairy supply herds had been using Bovaer on a trial basis. This provoked outrage amongst the farming community which led to an online campaign that claimed these products were untested, unsafe and potentially toxic to consumers drinking milk products. These bogus claims do not withstand scrutiny as Bovaer has been subjected to an extensive testing and approval process showing that it is completely safe. As the feed additive is broken down quickly in the rumen, it is not absorbed whole and is not present in the milk. Despite these facts the farmer led campaign managed to successfully scare enough consumers into boycotting Arla products and causing some supply chain disruption.

I think this was a poorly thought out move by the farming community and one that may well come back to bite them. Given the potential of methane inhibitors to significantly reduce cattle emissions it isn't hard to imagine that Governments may well mandate their use in future as a condition of being able to continue raising livestock at current stocking levels. This would certainly be preferable in my opinion to the enforced 30% stocking rate cut being proposed by the Irish Government, and similar strategies being touted by other European countries. Now that the farming community have sown the idea in consumer's minds that the use of methane inhibitors, and the milk derived from their use is unsafe, what will the result be if their use is mandated? The obvious reaction would be for concerned consumers to turn to soy milk or other milk alternatives. This would impact the dairy farmers bottom lines and result in the consumers drinking a product that is probably less healthy than real milk whether it came from a cow that had been fed Bovaer or not!

Methane inhibitor use is not confined to Europe or to dairy cows. They are also approved for beef and dairy use in Canada, the USA, Australia and New Zealand amongst others. Apart from the Bovaer product there is Rumin8 developed in Australia and Canada's own success story Synergraze. Tamara Loiselle, an Environmental Scientist from British Columbia is Founder and CEO of this company bearing the same name as the product. This is the product that appears to me to show most promise, claiming to reduce methane emissions by up to 80% which compares favourably to Bovaer's 30% reduction. Synergraze is based on a seaweed extract and the company has entered into partnership with the T'Sou-ke First Nation on the southern tip of Vancouver Island to manage and harvest the seaweed growing in their territory. Hopefully this partnership will bring economic prosperity to the First Nation community. Early indications are that the use of Synergraze enhances feed efficiency in the feedlot resulting in around $40 per head increase in margin which is a huge return in this traditionally low margin business. As I understand it this efficiency saving is a result of the methane inhibitor indirectly increasing the fat level because substances that would have been converted to methanol are instead converted to fat. These methane inhibitor products

could all be supplied in mineral premixes or in manufactured feeds in much the same way that products like Rumensin are today.

Rather than being opposed to use of these products I see a real opportunity for the livestock sector to embrace them and side-step the rhetoric of the anti-cow lobby. I think the ideal scenario for future beef production in Western Canada would involve optimising grazing management to capture as much CO2 and methane as possible in the grazing situation.

Methane inhibitors would be used in the non-grazing season when natural sequestration doesn't take place in most of the country due to frozen soil and snow cover. They would also be used year-round in confinement beef feeding operations and dairy herds that are typically housed. If we can really achieve methane reductions of the magnitude claimed by Synergraze it might equate to reducing cattle emissions by 50% or more across the whole industry which would be a win-win for cattle producers and the environment.

Canadian Luing Cattle Association

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