

## INCREASED CATTLE THROUGHPUT IN RENDERING PLANTS

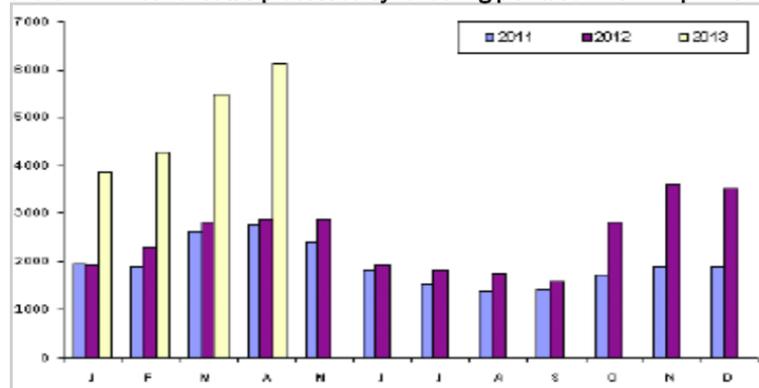
DARD have recorded a marked increase in the number of cattle being presented to rendering plants for disposal over the past number of months. The number of animals passing through the rendering plants has generally increased month on month since October 2012 as displayed in Chart 1.

The latest statistics from DARD have shown that during April 2013 a total of 6,121 fallen cattle were processed by rendering plants in NI compared to 2,872 fallen cattle processed in April 2012. This represents an increase in throughput of 113 per cent between the two periods. A total of 3,855 of the cattle processed by the renderers in April 2013 were cows, accounting for 63 per cent of all fallen cattle.

This increased mortality could lead to a tightening in the number of cows in particular available for slaughter later in the year and represents a significant loss of revenue to the industry. The average cow carcass weight for 2013 to

date was 293kg and with an average cow price of 271.6p/kg this is a loss of potential revenue to farmers of around £3.1 million during April as well as the lost value of raw material for processing by the factories.

**Chart 1: Number of cattle processed by rendering plants Jan 2011- April 2013**



The marked increase in throughput recorded in the first four months of 2013 has been attributed to a number of factors. These include the knock on effect of poor grass growing conditions in summer 2012 which resulted in livestock on many farms being housed earlier and in poorer condition. It was then difficult for producers to improve animal condition over the winter due to reduced silage quality and availability.

The high cost and reduced quality of cereals combined with late grass growth and the disastrous weather conditions experienced this spring have all had a contributory role to play in the increased mortality rates recorded on NI farms.

Reports from producers have indicated

that the combination of these factors has led to increased incidences of mortality on farm. An increase in calving difficulties over the winter and spring in particular has resulted in an increase in both cow and calf mortalities as a result.

In addition to the increased cattle throughput the rendering plants have had to process the thousands of sheep lost in the severe weather conditions this spring. The latest statistics from DARD have indicated that 43,000 sheep were collected by the fallen stock scheme, comprising of 30,500 lambs and 12,500 ewes and rams. A total of 1,140 cattle were also collected from affected areas.

# PREMIUMS PAID FOR TRADITIONAL BREEDS

In recent times there has been a renewed interest in traditional breeds such as the Aberdeen Angus and Hereford on the back of bonus schemes currently in operation across the major NI plants. The processors have reported an increase in demand for beef from these traditional breeds to fulfill premium orders for major retailers and the food service sector.

The value of the available bonuses varies from plant to plant and from scheme to scheme with bonuses of up to 40p/kg over the average English and Welsh price available for eligible Aberdeen Angus cattle in some schemes. Bonuses of up to 35p/kg are available on other Aberdeen Angus and Hereford schemes

Tight supplies of eligible cattle at present combined with an increased demand has resulted in the processors paying significant premiums for animals that fulfil all of the criteria. The plants currently have a range of bonus payments in place for Hereford and Aberdeen Angus prime cattle which are outlined in Table 1.

A key aspect of the criteria for both the Aberdeen Angus and Hereford bonuses

**Table 1: Bonuses available for Hereford and Aberdeen Angus cattle in NI**

Bonus Specification	Aberdeen Angus	Hereford
Breed	Aberdeen Angus	Hereford
Bonus available	8-40p/kg	10-35p/kg
Grades attracting bonuses	O3,O4,R3,R4,U3,U4	O3,O4,R3,R4,U3,U4
Weight	240-400kg	240-400kg
Age	Under 28/30 Months	Under 30/36 Months
FQAS	Yes	Yes
Country of Origin	Northern Ireland	Northern Ireland
There may be variations from these criteria at different factories and some factories apply additional criteria. Additional bonuses may also be available at some plants to fulfill the criteria of particular retailers.		

is that the animal must be sired by a registered pedigree bull. The relevant breed societies have reported an increased interest from both the suckler and dairy industries due to the incentives of these bonus payments.

This is likely to increase the supply of eligible cattle in the years ahead with numbers remaining tight in the interim period. This provides significant opportunities for those producers with Hereford and Aberdeen Angus cattle on the ground at present but also for producers planning to produce cattle for this market in the future.

At present Aberdeen Angus and Hereford cattle represent a niche market in NI and represent a small proportion of total calf registrations. In the first four months of 2013 a total of 5,264 Hereford calves were registered in Northern Ireland, accounting for three per cent of calf registrations. This is an increase of 500 head on the number registered in the same period in 2012 (+10 per cent). During the same period 18,196 Aberdeen Angus calves were registered accounting for 10.2 per cent of calf registrations.

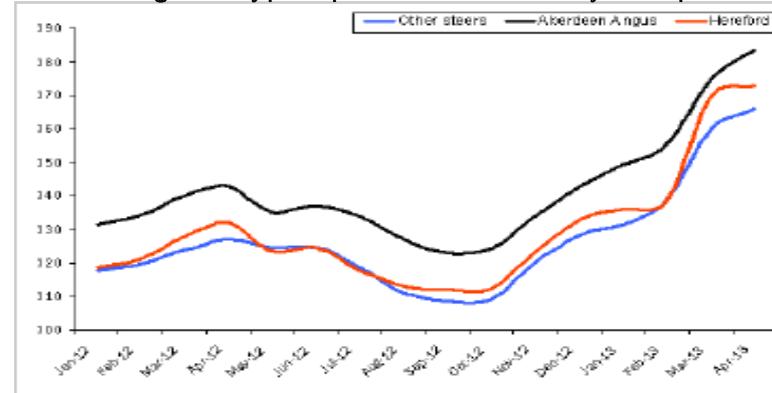
Chart 2 outlines the average price paid

per kg for O+3 grade price reported steers from January 2012 to April 2013. The black line represents the average price paid for Aberdeen Angus O+3 steers, the orange line represents the average price paid for Hereford O+3 steers and the blue line represents the average price paid for O+3 steers of all other breeds (non premium). Organic cattle have been removed for the purposes of analysis as these attract significant bonuses and can skew the data.

The price paid per kilogram for O+3 Aberdeen Angus steers has been notably higher than the price paid for non premium cattle over the period in question as indicated in Chart 2. The average price paid for O+3 Aberdeen Angus steers during April 2013 was 383.5p/kg, 16.3p/kg higher than the 367.2p/kg paid for non premium steers. It is worth noting that this differential is an average for O+3 steers and that a range of bonuses up to 40p/kg are available for Aberdeen Angus cattle. This particular bonus is not price reported since it is paid retrospectively so is not included in this analysis.

The price paid for O+3 Hereford steers was generally slightly higher than the price paid for non premium cattle up until March 2013. After this point a wider differential started to appear in the prices paid with an average O+3 Hereford price in April 2013 of 372.9p/kg, 5.7p/kg higher than the price paid for non premium steers. The emergence of this differential coincided with an increase in the promotion of Hereford beef schemes in several of the major processors. As with the Aberdeen

**Chart 2: Average monthly prices paid for O+3 steers January 2012-April 2013**



Angus price it is worth noting that this differential is an average for O+3 steers and that a range of bonuses up to 35p/kg are available for Hereford cattle.

The major NI processors currently have in place a series of bonuses and penalties in an attempt to encourage producers to produce cattle within a desired specification but the application of these bonuses and penalties has been variable and has been closely linked to the supply of cattle. In recent weeks however the penalties for overweight carcasses have been implemented more stringently due to limited markets for cuts of beef from these larger animals as outlined in previous articles in the Bulletin.

The average carcass weight of non premium O+3 steers from January 2012-April 2013 was 343kg, the average O+3 Aberdeen Angus carcass weight was 323kg and the average Hereford O+3 carcass weight was 326kg. Aberdeen Angus and Hereford cattle by their genetic nature will

produce lighter carcass weights which are more likely to meet the current desired specification of the plants for weight, if not for grade. At present the prime kill in NI is dominated by heavier continental bred cattle which in many cases produce carcasses outside specification.

It is worth noting however that the production of these traditional breeds such as Hereford and Aberdeen Angus with lower carcass weights is at present a niche market and will not suit all producers or production systems. There are strong markets in place for better conformed continental bred animals provided that they meet the current requirements of the 'golden box'. A key requirement of this is that carcasses should be within 280-380kg.

For further information on producing Aberdeen Angus or Hereford prime cattle producers should contact the procurement teams of the relevant processors, the relevant breed societies or the scheme operators.



## FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline: 028 9263 3024

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Free Price Quotes sent to your mobile phone weekly

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# WEEKLY BEEF & LAMB MARKETS



## CATTLE TRADE

### NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 29/04/13	Next Week 06/05/13
<b>Prime</b>		
U-3	370-374p	370-374p
R-3	364-368p	364-368p
O+3	358-362p	358-362p
* Plus 8p/kg in spec bonus where applicable		
<b>Cows</b>		
O+3 & better	280-310p	280-310p
Steakers	255-280p	255-280p
Blues	170-185p	170-185p

### REPORTED NI CATTLE PRICES - P/KG

W/E 27/04/13	Steers	Heifers	Young Bulls
U-3=	380.1	390.8	366.9
U=3=	378.6	389.8	363.8
U=4=	373.5	381.1	-
R=3=	378.3	380.9	361.9
R=4=	373.6	375.7	359.0
O+3=	371.9	371.6	352.9
O=3=	363.9	355.4	347.9
Average	368.9	374.0	350.9

### REPORTED COW PRICES NI W/E 27/04/13

Grades	Price (p/kg)	Avg Wgt
O+3=	309.1	320.4
O-3+	288.0	302.4
P+2+	271.0	293.7
P+3+	284.6	305.6
P-1-	188.4	214.6

## COMMODITIES

### COMMODITY PRICE

W/E 27/04/13	Price (£) per tonne / 1000litre	% weekly change
Barley	201.50	-2.2
Wheat	222.50	-1.1
Straw	19.90	-
Red Diesel	710-740	-

### Deadweight Cattle Trade

**B**ASE quotes from the NI plants this week for U-3 grade prime cattle were 370-374p/kg with the 8p/kg bonus available for steers and heifers that kill out in-spec. Quotes for good quality cows this week ranged from 280-310p/kg. The plants have reported a tightening in supplies of prime cattle this week with numbers expected to tighten further as the weeks progress.

Prime cattle throughput last week was 7,293 head, back 250 head on the previous week. Throughput of prime cattle during April 2013 was 27,200 head, up 8.8 per cent on the 25,002 head slaughtered in April 2012. Meanwhile the cow kill in April 2013 totalled 6,092 head, a 15.8 per cent increase on the 5,260 slaughtered during April 2012. Last week 484 prime cattle were imported from ROI for direct slaughter in NI plants. This brings the total for the year to date to 6,712 head compared to 8,052 head in the same period in 2012 (-16.6 per cent). Last week 246 cattle were exported to GB for direct slaughter.

Average steer and heifer prices in NI last week were within a penny of the previous week at 368.9/kg and 374.0p/kg respectively. The prices paid for the majority of reported grades were similar to the previous week with the biggest price movement recorded for U3 heifers which increased by 3.1p/kg to 388.7p/kg.

In GB average steer and heifer prices were up by 3p/kg to 396.8p/kg and 393.8p/kg respectively with average steer and heifer prices showing an increase in all the GB regions. The average R3 steer price in GB increased by 2.7p/kg to 398.1p/kg last week with the R3 steer price up in the region of 3p/kg in Scotland, Northern England and the Midlands. The R3 steer price in Southern England was up 1.2p/kg to 391.5p/kg.

Throughput in the ROI plants increased to 28,952 head last week with prices remaining similar to the previous week in euro terms. A slight weakening in the value of the euro against sterling has meant prices were back in the region of 2p/kg in sterling terms. The R3 heifer price in ROI last week was similar to the NI price at 382.9p/kg while the R3 steer price was 362p/kg. This was 16.7p/kg behind the NI price last week.

### This week's marts

**F**INISHED first quality steers sold to an average of 224p/kg liveweight across the marts this week with second quality finished steers selling to an average of 200p/kg. A strong trade for finished heifers saw them sell to an average of 220p/kg liveweight with second quality selling to an average of 195p/kg. Well fleshed beef bred cows sold to a top price of 213p/kg and to an average of 170p/kg.

The trade for store bullocks from 400-500kg was similar to last week with first quality selling to an average of 220p/kg and second quality selling to an average of 185p/kg. First quality heifers over 450kg sold to 208p/kg with first quality heifers up to 450kg selling to an average of 210p/kg.

### LAST WEEK'S DEADWEIGHT CATTLE PRICES (UK / ROI)

W/E 27/04/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	378.3	370.0	408.8	402.9	405.4	405.9	405.8
	R3	378.7	362.0	405.0	398.3	395.4	391.5	398.1
	R4	375.7	363.1	407.4	409.9	395.4	392.7	403.2
	O3	364.3	347.7	390.2	389.5	379.2	371.1	383.3
	AVG	368.9	-	405.2	401.5	392.4	382.9	396.8
Heifers	U3	388.7	396.4	408.6	405.8	406.1	406.1	406.8
	R3	381.7	382.9	401.5	391.8	394.7	391.0	395.5
	R4	376.9	383.1	403.9	397.4	393.8	389.7	396.9
	O3	366.0	365.5	382.9	394.3	380.8	375.1	383.4
	AVG	374.0	-	401.1	398.2	392.9	379.5	393.8
Young Bulls	U3	367.6	359.0	400.9	388.0	399.4	400.0	396.8
	R3	362.3	351.2	389.3	380.4	385.4	381.3	383.8
	O3	348.8	337.2	368.7	361.6	364.2	380.3	367.8
	AVG	350.9	-	378.1	369.9	378.1	377.7	375.6
Prime Cattle Price Reported		5862	-	7171	5878	5715	4468	23232
Cows	O3	294.2	298.0	316.7	304.4	303.2	286.0	302.1
	O4	306.4	300.7	321.6	310.5	308.1	291.1	306.1
	P2	248.6	241.9	269.8	245.9	241.9	228.0	246.1
	P3	276.0	285.5	286.7	284.8	259.1	251.6	269.9
	AVG	272.5	-	306.7	287.7	277.0	250.9	278.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.93p Stg  
(ii) Shading indicates a lower price than the previous week.  
(iii) AVG is the average of all grades in the category, not just those listed

### LATEST LIVELWEIGHT CATTLE MART PRICES NI

W/E 27/04/13	1st QUALITY			2nd QUALITY		
	From	To	Average	From	To	Average
<b>Finished Cattle (p/kg)</b>						
Steers	217	233	224	190	216	200
Friesians	170	194	180	136	165	154
Heifers	210	231	220	180	209	195
Beef Cows	158	213	170	120	157	140
Dairy Cows	125	149	133	90	124	107
<b>Store Cattle (p/kg)</b>						
Bullocks up to 400kg	203	246	213	170	202	176
Bullocks 400kg - 500kg	210	230	220	170	208	185
Bullocks over 500kg	212	231	218	170	210	190
Heifers up to 450kg	200	221	210	141	199	170
Heifers over 450kg	192	227	208	167	191	178
<b>Dropped Calves (£/head)</b>						
Continental Bulls	240	415	265	140	235	185
Continental Heifers	225	305	250	100	222	155
Friesian Bulls	125	218	170	50	122	85
Holstein Bulls	40	128	65	1	38	20

# SHEEP TRADE

## REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 13/04/13	W/E 20/04/13	W/E 27/04/13
NI Liveweight	388.4p	375.9p	386.3p
NI Deadweight	435.5p	447.0p	441.9p
ROI Deadweight	435.4p	436.4p	434.4p
GB Deadweight	470.8p	456.5p	455.2p

## REPORTED SPRING LAMB PRICES - P/KG

(P/KG DW)	W/E 13/04/13	W/E 20/04/13	W/E 27/04/13
NI Liveweight	458.7p	451.2p	473.8p
NI Deadweight	528.4p	497.9p	478.8p
GB Deadweight	530.5p	526.3p	528.6p

## Deadweight Sheep Trade

**Q**UOTES from the plants this week for R3 grading hoggets were 440-450p/kg up to 22kg with quotes for spring lambs of 485-490p/kg. Similar quotes are expected for next week. Lamb and hogget slaughterings in the NI plants last week were similar to the previous week at 4594 head with a further 4,150 head being exported to ROI for direct slaughter.

The deadweight hogget price in NI last week was back 5p/kg on the previous week to 441.9p/kg, while the spring lamb price was back 19p/kg to 478.8p/kg. In GB the deadweight hogget price was back 1p/kg to 455.2p/kg while the spring lamb price was up 2.3p/kg to 528.6p/kg. These price movements have widened the differential between NI and GB deadweight prices for spring lambs to 50p/kg.

## This week's marts

**T**HE number of hoggets passing through the marts has started to decline as the season comes to an end. In Massereene on Monday 310 hoggets sold from 380-411p/kg compared to 670 hoggets last week selling from 390-442p/kg. In Rathfriland on Tuesday 273 hoggets sold to an average of 385p/kg compared to 271 hoggets last week selling to an average of 389p/kg. The number of spring lambs going through the marts has started to increase with 289 lambs in Enniskillen on Wednesday selling to an average of 475p/kg. The top reported price for cull ewes was £90 in Rathfriland on Tuesday.

## HOGGET/LAMB QUOTES

(P/Kg DW)		This Week 29/04/13	Next Week 06/05/13
NI Factories	Hoggets upto 22kg	440 - 450p	440 - 450p
	Spring Lambs	485-490p	485-490p

## LATEST SHEEP MARTS

From: 27/04/13 To: 02/05/13		Hoggets (P/KG LW)				Spring Lambs (P/KG LW)			
		No.	From	To	Avg	No.	From	To	Avg
Saturday	Donemana	178	333	368	-	46	421	469	-
	Hilltown	150	396	425	400	80	437	462	450
	Omagh	145	366	418	-	18	443	460	-
Monday	Swatragh	75	317	369	355	200	400	435	428
	Massereene	310	380	411	-	106	520	581	-
Tuesday	Kilrea	50	360	380	-	250	430	452	-
	Saintfield	205	-	-	400	40	-	-	465
Wednesday	Rathfriland	273	366	409	385	93	463	506	482
	Enniskillen	400	390	430	410	289	468	485	475
	Ballymena	303	350	420	370	126	420	497	450
	Markethill	300	350	410	375	100	455	494	475

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