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# COW PRICES UNDER PRESSURE ACROSS BRITISH ISLES

QUOTES for cows from the NI plants have always tended to show a great deal of variability across the plants and this week ranged from 230-260p/kg for O+3 grade cows.

Cow slaughterings in the NI plants tend to show a peak in the autumn and winter months in line with current production practices in NI. The plants have reported good supplies to meet demand in recent weeks with cow throughput during autumn/winter 2013 similar to the levels recorded in the corresponding period on 2011. Throughput is however well behind the levels recorded in the same period in 2012 when high barren rates and a shortage of forage encouraged a higher cull rate in both the dairy and suckler herds.

While there is no agreed specification for cows at present the processors have a preference for cows with carcase weights over 280kg. The processors also prefer cows to have an adequate level of fat cover, typically a 2+ or better. There are significant reductions in the prices paid for cows below 280kg and that are presented for slaughter without adequate levels of fat cover.

There are also significant penalties of up to £150 per head in place for cows that are not Farm Quality Assured at point of slaughter. This has become less of an issue as more producers have become Farm Quality Assured as 2013 has progressed. In the six weeks ending the 23 November 2013 97 per cent of the price reported cow kill were Farm Quality Assured compared to 65 per cent in the corresponding period in 2012.

The average cow price tends to show a decline in the autumn/winter months as the availability of cows for slaughter improves. In 2013 however cow prices remained well above the levels paid in previous years until mid October before showing a marked decline as outlined in Figure 1. The average cow price in NI last week was 213.1p/kg, the lowest level recorded since April 2011.

NI average cow prices have been above average cow prices in GB since July 2013 and while average prices have come back in both regions the NI cow price has remained above the average cow price in GB. The average cow price in GB last week was 208.4p/kg, 4.7p/kg lower than the average price in NI.

When comparing prices in different regions it is useful to consider one grade rather than look at average prices. Figure 2 displays the average O3 cow price for NI, GB and ROI for 2013 to date.

The average price paid for O3 cows have shown a strong decline across all regions of the British Isles since the summer. The GB price was the lowest of the three regions at 233.4p/kg last week, 11.2p/kg lower than the 244.6p/kg paid for O3 cows in NI. The O3 cow price in ROI last week was the equivalent of 253.2p/kg.

While prices for cows have come under pressure in all regions producers can help maximise returns by liaising with the processors and marketing cows in appropriate condition for slaughter.

Figure 1: Average NI cow prices from January 2011 to November 2013

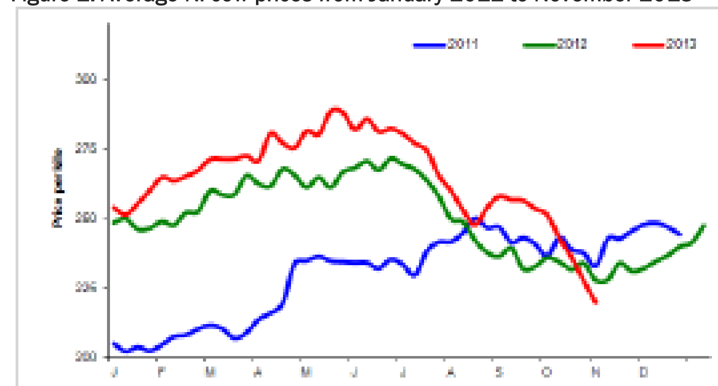
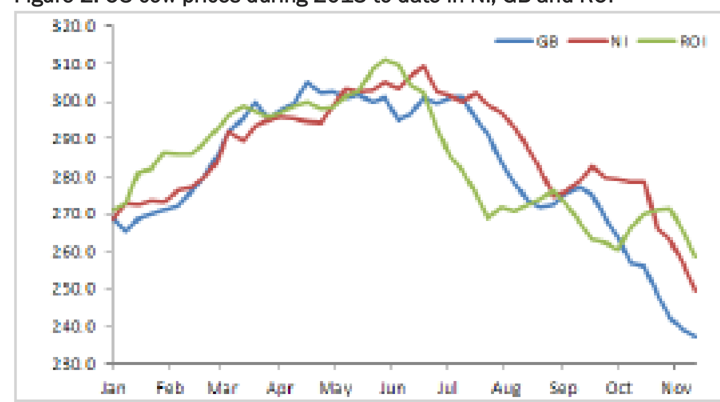



Figure 2: O3 cow prices during 2013 to date in NI, GB and ROI



# SHEEP ANNUAL INVENTORY CARDS

FARM Quality Assurance Scheme sheep producers are reminded that they will receive an inventory card from DARD shortly. This card should be completed between 1st- 5th December 2013 and returned to DARD by 6th January 2014 in the pre-paid envelope provided. Alternatively, details can be entered online at http://www.dardni.gov.uk/onlineservices

FQAS participants who are currently registered flock keepers but have no stock on their holding between 1st-5th December 2013 must also return the card. Those who fail to return the card increase the chances of their flock being selected for a sheep identification inspection by DARD.

Details of this annual inventory card must also be recorded in the flock register or flock book. As this is a common non-conformance at FQAS inspections, participants are encouraged to ensure that this is recorded.

Keepers who lose or misplace their card can get a copy from their local DARD Direct/Divisional Veterinary Office or online on the DARD website.

# LOWER LEVELS OF BEEF CONCENTRATE FEEDING DURING QUARTER 3

THE latest Northern Ireland Animal Feed Statistics have indicated lower levels of concentrate usage on NI beef farms during the third quarter of 2013.

Figure 3 displays the total beef cattle compounds and beef coarse mixes and blends fed on NI farms for the period January 2012 to September 2013.

Beef concentrate feeding levels during the first half of 2013 were markedly higher than the corresponding period in 2012 due to the prolonged winter and reduced levels of grass growth in NI this spring. Beef concentrate deliveries to NI farms in the first half of 2013 totalled 246.8 thousand tonne, a 33 per cent increase on the 186.2 thousand tonne delivered to farms in the 2012 period.

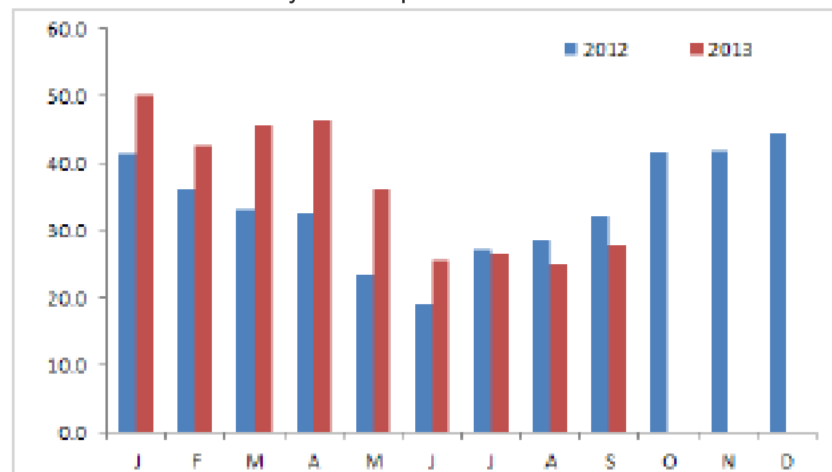
With the good weather experienced in summer 2013 and with strong grass growth well into the autumn beef concentrate feeding levels during summer 2013 were down year on year. Beef concentrate deliveries during the third quarter of 2013 totalled 79.6 thousand tonne, ten per cent lower than the 88.2 thousand tonne delivered in the same period in 2012.

With the improved levels of grass growth some producers opted to reduce or remove meal feeding at grass for cattle during summer 2013 in an attempt to reduce costs of production and this will have led to the reduction in concentrate purchases outlined in Figure 3.

While the good weather of summer 2013 will have aided NI beef producers by allowing greater utilisation of grass and reduced concentrate usage it has also helped improve yields for arable producers. EU wheat yields in 2013 are estimated to be seven per cent higher than the levels recorded in 2012. Despite this increase in production EU analysts have predicted EU wheat prices to remain steady and not experience the decline recorded in the US in recent weeks.

One explanation for this is the strong demands for EU wheat on the global market which has helped to underpin domestic prices both on the continent and in the UK whilst global prices have shown a downward trend. Reduced supplies of wheat from Russian and Ukraine have helped US and EU prices but the strengthening US$ has made EU origin wheat more competitive.

**Figure 3: Combined total of beef cattle compounds and beef coarse mixes and blends delivered to NI farms January 2012 - September 2013.**



# WEEKLY BEEF & LAMB MARKETS

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## CATTLE TRADE

| NI FACTORY QUOTES FOR CATTLE | | |
|---|---|---|
| (P/KG DW) | This Week 25/11/13 | Next Week 02/12/13 |
| **Prime** | | |
| U-3 | 360-364p | 356-364p |
| R-3 | 354-358p | 350-358p |
| O+3 | 348-352p | 344-352p |
| * Plus 8-14p/kg in spec bonus where applicable | | |
| **Cows** | | |
| O+3 & better | 230-260p | 230-250p |
| Steakers | 150-220p | 150-220p |
| Blues | 110-150p | 110-150p |

| REPORTED NI CATTLE PRICES - P/KG | | | |
|---|---|---|---|
| W/E 23/11/13 | Steers | Heifers | Young Bulls |
| U-3= | 374.3 | 381.1 | 355.1 |
| U=3= | 372.0 | 383.2 | 354.0 |
| U=4= | 372.5 | 371.4 | - |
| R=3= | 374.0 | 376.5 | 346.9 |
| R=4= | 370.8 | 368.5 | 360.0 |
| O+3= | 372.0 | 366.1 | 338.7 |
| O=3= | 365.6 | 361.3 | 328.6 |
| Average | 364.2 | 367.6 | 340.2 |

| REPORTED COW PRICES NI W/E 23/11/13 | | |
|---|---|---|
| Grades | Price (p/kg) | Avg Wgt |
| O+3= | 257.2 | 331.6 |
| O-3+ | 238.9 | 309.4 |
| P+2+ | 216.4 | 279.7 |
| P+3+ | 226.2 | 317.1 |
| P-1- | 133.2 | 214.0 |

| COMMODITY PRICE | | |
|---|---|---|
| W/E 23/11/13 | Price (£) per tonne / 1000litre | % weekly change |
| Barley | 160.00 | +1.9 |
| Wheat | 183.50 | +0.6 |
| Straw | 17.00 | - |
| Diesel | 715-720 | - |

### Deadweight Cattle Trade

QUOTES for U-3 grade prime cattle this week ranged from 360-364p/kg with quotes for next week ranging from 356-364p/kg. One plant has maintained their base quote for U-3 prime cattle at 362-364p/kg for next week but have introduced a further reduction of 10p/kg on prime cattle grading O-3 and back. Quotes for O+3 cows have come back to 230-250p/kg.

Prime cattle slaughterings last week totalled 6,323 head, a reduction of 188 head on the previous week. Cow slaughterings also showed a decline to 2,076 head last week, 280 less than the previous week. Imports of cattle from ROI for direct slaughter in NI plants have continued at similar levels to previous weeks with 503 prime cattle imported and 106 cows. Meanwhile 203 cows were exported from NI to ROI for direct slaughter. Exports to GB for direct slaughter fell to their lowest level since late December 2012 with 71 clean cattle and 62 cows crossing the Irish Sea last week compared to 240 clean cattle and 44 cows the previous week.

The average steer price in NI last week increased by 1.7p/kg to 364.2p/kg while the R3 steer price was unchanged at 375.1p/kg. The O3 steer price increased by 4.4p/kg last week to 363.4p/kg. The average heifer price in NI last week was back almost a penny to 367.6p/kg with the R3 heifer price back by a similar margin to 375.9p/kg. The trade for cows continued to decline with average prices back 6.7p/kg to 213.1p/kg.

Meanwhile in GB the trade has shown signs of stabilising with average steer and heifer prices up by a penny to 392.2p/kg and 389.4p/kg respectively, however there was some variation across the regions. In Scotland and Northern England average steer prices were up 2-3p/kg to 417.9p/kg and 394.2p/kg respectively while average prices in the Midlands and Southern England were slightly lower. The trade for heifers has also varied across the regions with average prices increasing by 2p/kg in Scotland and Southern England while in the Midlands average prices were back in the region of a penny with prices in Northern England almost unchanged.

There was increased cattle throughput reported in ROI plants last week and with the value of the euro remaining steady prices were back in sterling terms for all classes of prime cattle by 2-3p/kg. The R3 steer price in ROI last week was 325p/kg, 50p/kg behind the NI price while the R3 heifer price was 337.9p/kg, 38p/kg behind the NI price.

### This weekś marts

FIRST quality finished steers sold from 202-228p/kg (avg 209p/kg) this week with second quality selling from 160-201p/kg (avg 185p/kg). Finished first quality heifers sold to an average of 209p/kg while second quality sold to an average of 180p/kg. Good quality beef cows sold to an average of 172p/kg this week with plainer lots selling to an average of 128p/kg. Better quality dairy origin cows sold to an average of 103p/kg with second quality lots selling to an average of 80p/kg. A firm trade has continued for good quality forward stores with first quality bullocks over 500kg selling to an average of 209p/kg liveweight.

| LAST WEEK'S DEADWEIGHT CATTLE PRICES (UK / ROI) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| W/E 23/11/13 | | Northern Ireland | Rep of Ireland | Scotland | Northern England | Midlands & Wales | Southern England | GB |
| Steers | U3 | 375.0 | 333.1 | 427.9 | 395.6 | 395.4 | 394.2 | 404.7 |
| | R3 | 375.1 | 325.0 | 420.5 | 393.3 | 383.7 | 380.4 | 395.6 |
| | R4 | 373.5 | 323.8 | 420.5 | 402.9 | 386.3 | 380.1 | 400.5 |
| | O3 | 363.4 | 308.7 | 396.9 | 386.2 | 365.6 | 359.8 | 378.4 |
| | AVG | 364.2 | - | 417.9 | 394.2 | 379.2 | 370.0 | 392.2 |
| Heifers | U3 | 380.9 | 349.5 | 424.8 | 396.1 | 396.7 | 392.1 | 404.4 |
| | R3 | 375.9 | 337.9 | 415.6 | 384.8 | 383.7 | 377.4 | 392.5 |
| | R4 | 372.4 | 337.1 | 417.1 | 390.9 | 386.2 | 378.1 | 395.6 |
| | O3 | 361.9 | 323.0 | 385.5 | 372.1 | 354.3 | 350.1 | 368.0 |
| | AVG | 367.6 | - | 412.9 | 386.2 | 379.5 | 368.1 | 389.4 |
| Young Bulls | U3 | 354.2 | 328.0 | 410.3 | 363.8 | 381.8 | 382.6 | 379.2 |
| | R3 | 349.8 | 322.6 | 398.0 | 355.7 | 367.1 | 367.6 | 367.2 |
| | O3 | 331.4 | 302.6 | 368.1 | 338.7 | 349.3 | 350.4 | 348.2 |
| | AVG | 340.2 | - | 379.6 | 344.7 | 356.9 | 354.7 | 355.1 |
| Prime Cattle Price Reported | | 4921 | - | 6315 | 5844 | 5288 | 3886 | 21333 |
| Cows | O3 | 244.6 | 253.2 | 239.6 | 240.9 | 232.7 | 220.2 | 233.4 |
| | O4 | 249.0 | 254.5 | 248.5 | 242.1 | 240.8 | 223.5 | 237.1 |
| | P2 | 200.9 | 213.7 | 188.4 | 197.5 | 184.7 | 166.9 | 183.7 |
| | P3 | 223.6 | 241.5 | 200.9 | 217.0 | 195.0 | 191.5 | 201.8 |
| | AVG | 213.1 | - | 233.0 | 212.7 | 210.7 | 183.6 | 208.4 |

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.69p 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 LIVEWEIGHT CATTLE MART PRICES NI | | | | | | |
|---|---|---|---|---|---|---|
| | 1st QUALITY | | | 2nd QUALITY | | |
| W/E 23/11/13 | From | To | Average | From | To | Average |
| **Finished Cattle (p/kg)** | | | | | | |
| Steers | 202 | 228 | 209 | 160 | 201 | 185 |
| Friesians | 158 | 185 | 170 | 130 | 156 | 143 |
| Heifers | 202 | 220 | 209 | 156 | 201 | 180 |
| Beef Cows | 145 | 214 | 172 | 110 | 144 | 128 |
| Dairy Cows | 97 | 139 | 103 | 65 | 96 | 80 |
| **Store Cattle (p/kg)** | | | | | | |
| Bullocks up to 400kg | 200 | 225 | 208 | 179 | 200 | 184 |
| Bullocks 400kg - 500kg | 202 | 227 | 213 | 170 | 201 | 185 |
| Bullocks over 500kg | 192 | 240 | 209 | 170 | 191 | 180 |
| Heifers up to 450kg | 194 | 223 | 206 | 165 | 193 | 183 |
| Heifers over 450kg | 187 | 196 | 192 | 180 | 186 | 183 |
| **Dropped Calves (£/head)** | | | | | | |
| Continental Bulls | 280 | 372 | 310 | 180 | 278 | 230 |
| Continental Heifers | 225 | 335 | 260 | 120 | 222 | 170 |
| Friesian Bulls | 135 | 235 | 175 | 40 | 132 | 76 |
| Holstein Bulls | 60 | 132 | 85 | 2 | 58 | 28 |

# SHEEP TRADE

| LAMB QUOTES | | |
|---|---|---|
| (P/Kg DW) | This Week 25/11/13 | Next Week 02/12/13 |
| NI Factories | 370p > 22kg | 370p > 22kg |
| ROI Factories | 370p > 22kg | 370p > 22kg |

| REPORTED LAMB PRICES - P/KG | | | |
|---|---|---|---|
| (P/KG DW) | W/E 09/11/13 | W/E 16/11/13 | W/E 23/11/13 |
| NI Liveweight | 332.9p | 328.4p | 333.2p |
| NI Deadweight | 365.2p | 367.2p | 366.7p |
| ROI Deadweight | 351.0p | 353.7p | 358.4p |
| GB Deadweight | 400.7p | 399.2p | 399.1p |

## Deadweight Sheep Trade

QUOTES for lambs have remained steady this week at 370p/kg with plants paying up to 22kg. A total of 10,746 lambs were slaughtered in NI plants last week, a reduction of nine per cent on the previous week when 11,839 lambs were slaughtered. Meanwhile exports to ROI for direct slaughter last week totalled 10,143 head, an increase of 792 head on the previous week. Reports have indicated a tightening in availability of lambs in ROI in recent weeks. The NI deadweight price last week was within half a penny of the previous week at 366.7p/kg with prices in GB also remaining steady at 399.1p/kg. Meanwhile deadweight prices in ROI increased by 4.7p/kg to 358.4p/kg last week.

## This week's marts

A firm trade has been reported across the marts this week with strong numbers of lambs passing through the sale rings. In Massereene on Monday 1,165 lambs sold from 330-359p/kg compared to 1,426 lambs last week selling from 325-358p/kg. In Saintfield on Tuesday 530 lambs sold from 330-361p/kg compared to 621 lambs last week selling from 330-365p/kg. A large entry of 2,306 lambs in Ballymena on Wednesday sold from 320-359p/kg (avg 335p/kg) compared to 2,075 lambs last week selling from 320-352p/kg (avg 331p/kg). In Markethill on Wednesday 820 lambs sold to an average of 337p/kg compared to 810 lambs last week selling to an average of 334p/kg. Top prices paid for cull ewes generally ranged from £50-70 with a top reported price of £86 in Hilltown last Saturday.

| LATEST SHEEP MARTS | | | | | |
|---|---|---|---|---|---|
| From: 23/11/13 To: 28/11/13 | | Lambs (P/KG LW) | | | |
| | | No. | From | To | Avg |
| Saturday | Omagh | 1298 | 341 | 370 | - |
| | Donemana | 700 | 327 | 364 | 348 |
| | Hilltown | 890 | - | - | 335 |
| | Newtownstewart | 156 | 320 | 345 | 330 |
| Monday | Massereene | 1165 | 330 | 359 | - |
| | Kilrea | 370 | 328 | 359 | 338 |
| Tuesday | Saintfield | 530 | 330 | 361 | - |
| | Rathfriland | 1003 | 324 | 368 | 338 |
| Wednesday | Ballymena | 2306 | 320 | 359 | 335 |
| | Enniskillen | 438 | 337 | 362 | 345 |
| | Markethill | 820 | 330 | 361 | 337 |
| | Armoy | 312 | 325 | 370 | 335 |

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