

## STORE CATTLE PRICE REMAIN STRONG

**D**EADWEIGHT prime cattle prices in NI have shown signs of a recovery in recent weeks after recording a general decline since early November 2013. Reports from industry have indicated tighter availability of prime cattle and a steady demand for beef helping to firm the deadweight trade.

Average deadweight prices in NI are now similar to the prices being paid for prime cattle before the horse meat crisis with an average steer price of 333.5p/kg in NI last week. Prices are however markedly below the average steer price of 363.0p/kg in the corresponding week in 2013.

In general you would expect deadweight cattle prices came under pressure the trade for store cattle would come under similar pressure as finishers try to reduce costs in light of the reduced returns they are receiving. However this has not been the case during 2013/2014 with the trade for store cattle remaining fairly strong across the NI livestock marts, particularly for good quality steers and heifers.

Due to the variability of the quality and type of cattle sold through the sale yards in any given week it is difficult to draw a comparison based purely on the price paid within a particular weight bracket on a week to week basis. It is however possible to identify trends by looking at average prices over a longer period of time. Figure 1 outlines the average liveweight prices of 300-400kg steers across the NI livestock marts between January 2013 and March 2014 (Source DARD).

As outlined in Figure 1 the average live weight prices available during 2014 to date for steers in the 300-400kg weight bracket have been above the prices

available during the corresponding period in 2013. This differential has however narrowed in recent weeks. A similar trend can be observed in average heifer prices within the same weight bracket over the same period.

The maintenance of a firm trade in the sale rings for good quality store cattle has been welcomed by primary beef producers and producers selling forward stores given the difficult production conditions experienced during 2012/2013 and the increased costs of production as a result.

The firm trade for good quality store cattle in the marts can be attributed to the combination of several key factors. Tighter supplies of cattle on the ground has increased competition for the cattle available. In March 2014 there were 158,408 beef sired cattle aged 12-18 months of age on NI farms compared to 173,804 head in March 2013. This decline by 15,396 head represents an 8.9 per cent decline in the number of cattle within this age bracket.

Meanwhile the number of male dairy origin cattle on the ground aged 9-15 months has also declined from 26,741 head in March 2013 to 21,715 in March 2014. This decline by 5,026 head represents a 19 per cent drop over the course of the year. There have also been reductions recorded in the number of cattle under a year old on NI farms when comparing March 2014 and March 2013. The number of beef sired cattle under a year old was back 5.2 per cent while the number of dairy sired male cattle was back 7.2 per cent year on year.

This drop in the number of cattle on the ground can be partly attributed to the reduced calf registrations on NI farms over the past eighteen months due to production difficulties for producers

and reduced fertility as a result. A higher cow culling rate has also reduced suckler cow numbers by six per cent according to the December Agricultural Survey which will also have impacted the output potential of the suckler herd.

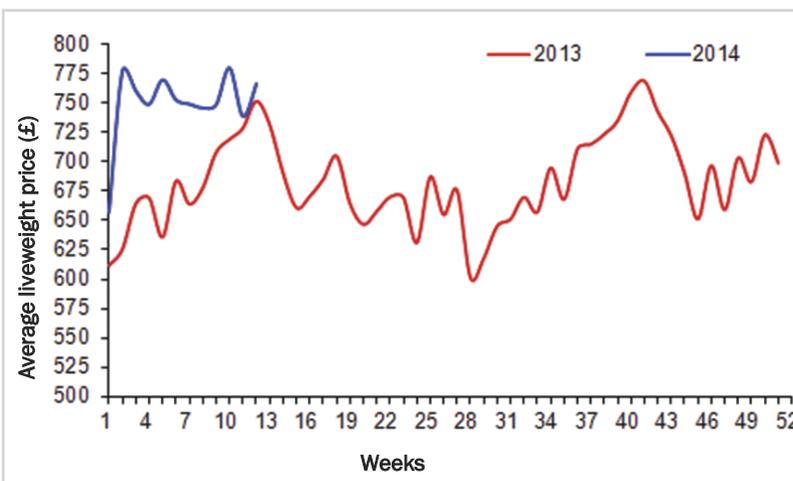
Reduced levels of imports from ROI for further feeding due to changes in some processor specifications requiring cattle to be UK born and finished has also increased competition for the NI born cattle available and has helped maintain strong live weight prices.

In March 2014 there were 918 beef sired cattle under a year old on NI farms that were imported from ROI for further breeding and production. This is less than a third of the 2,916 ROI born cattle under a year old on NI farms in the same month in 2012.

Similarly the number of beef sired cattle aged 12-30 months on NI farms that have been imported from ROI has also declined. In March 2014 there were 9,373 ROI origin beef sired cattle within this age bracket on NI farms compared to 21,823 head in March 2012. This reduction in the number of cattle being imported from ROI has increased the demand for NI born livestock and thus helped to firm prices in the sale rings. Any producers with favourable forward contracts may also be driving up store prices.

The number of cattle being exported to GB for further breeding and production will also impact on the availability of cattle for local finishers and thus impact on the prices being paid. During the first two months of 2014 store cattle exports to GB for further breeding and production were similar to year earlier levels with 1,878 head exported. This is however markedly higher than the same period in 2012 when 693

Figure 1: Liveweight prices for 300-400kg steers in NI marts Jan 2013- Mar 2014



store cattle were exported to GB.

As indicated in recent times beef finishers have limited scope to determine the price they receive for their finished cattle and in this scenario of tight cattle supplies beef finishers have limited control over the price they have to pay for quality store cattle if they want to maintain the scale of their beef enterprise.

The second major cost of beef finishing is the cost of feed and producers also have little control over this as cereal prices are driven by supply and demand and are heavily impacted by the weather during the previous harvest season. Concentrate feed costs during 2014 to date have been below year earlier levels and the much milder weather conditions when compared to last year will also have been welcomed by NI beef farmers as it has allowed the earlier turn out of cattle.

In general producers have limited control over the cost of their inputs but they do have control over the efficiency of their production system. However for

improvements in efficiency to be achieved producers must first know their costs of production and only then can they identify areas where they can improve. For a beef enterprise it is important that producers know how much it costs to produce 1kg liveweight on their farm, the carrying cost of a suckler cow (if appropriate) and what price they need to achieve to leave a margin. When producers are monitoring this information they can alter production systems to try and increase output and reduce costs to maximise returns.

The CAFRE benchmarking programme is an excellent source of support for producers who want to improve their efficiency. The programme allows producers to gauge their own progress by comparing their farms with other similar enterprises to identify improvement measures.

For further information on benchmarking your farm business contact CAFRE Benchmarking on 028 9442 6771 or visit the website at [ruralni.gov.uk](http://ruralni.gov.uk).

# FAO FOOD INDEX INCREASES IN MARCH

THE FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities and averaged 212.8 points during March 2014. This was an increase of 4.8 points on the previous month and was the highest recorded level since May 2013. All the FAO Commodity Price Indexes recorded an increase between February 2014 and March 2014 with the exception of the Dairy Index.

The FAO Dairy Price Index averaged 268.5 points in March 2014, back 7 points from the previous month but markedly ahead of the 228.8 points recorded in March 2013. Reduced purchases from China and uncertainties over trade with Russia have affected demand for all dairy products. Demand for whole milk powder has recorded the sharpest decline of all dairy products

and reflects the reduced buying interest from China. In addition to this a good start to the dairy year in the Northern Hemisphere combined with a prolonged season in New Zealand has meant the availability of supplies for export has increased.

The FAO Cereal Prices Index recorded the strongest increase of all the indexes during March 2014, up ten points to 205.8 points and was the highest recorded level since August 2013. Despite the strong increase the index was still well below the 240.5 points recorded in March 2013. The rise in the cereal index in March 2014 has been driven by a combination of factors including the ongoing dry conditions in the US affecting winter crop production, unfavourable weather conditions in parts of Brazil and the ongoing political issues in the Black Sea Region creating uncertainties

about grain shipments from Ukraine.

The FAO Meat Index averaged 185 points in March 2014, up 2.7 points from the previous month. This increase has been driven by drier weather conditions in Australia and the US increasing beef prices. Prices for pork also recorded an increase while poultry and sheep meat were similar to the previous month. The Meat Price Index during March 2014 was similar to the 185.2 points recorded in March 2013.

The FAO Vegetable Oil and Sugar Price Indexes have both recorded strong increases between February and March 2014 and have been driven by declining export availabilities due to increased domestic demand and production difficulties respectively.

## FQAS NOTICE

### ONLINE PAYMENTS

LMC has recently launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

[www.lmcni.com](http://www.lmcni.com)



### 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

### Answerphone Service

Factory Quotes &  
Mart Results  
Updated 5pm Daily

Tel: 028 9263 3011

### Text Service

Free Price Quotes sent to your mobile  
phone weekly

Email - [bulletin@lmcni.com](mailto:bulletin@lmcni.com)  
Tel: 028 9263 3000

# WEEKLY BEEF & LAMB MARKETS



## CATTLE TRADE

### NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 31/03/14	Next Week 07/04/14
<b>Prime</b>		
U-3	324-328p	326-328p
R-3	318-322p	320-322p
O+3	312-316p	314-316p
* Plus 8-14p/kg in spec bonus where applicable		
<b>Cows</b>		
O+3 & better	230-250p	230-250p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

### REPORTED NI CATTLE PRICES - P/KG

W/E 29/03/14	Steers	Heifers	Young Bulls
U-3=	347.4	349.2	332.9
U=3=	340.9	357.4	332.5
U=4=	380.0	348.3	-
R=3=	343.1	344.6	312.2
R=4=	339.0	345.0	-
O+3=	340.0	336.9	304.4
O=3=	329.1	324.7	299.6
Average	333.5	338.8	298.8

### REPORTED COW PRICES NI W/E 29/03/14 (p/kg)

Grades	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
O+3=	-	-	257.5	250.8
O-3+	-	-	238.3	240.3
P+2+	-	194.5	210.0	216.6
P+3+	-	-	228.9	225.1
P-1-	125.0	131.6	146.5	-

### COMMODITY PRICE

W/E 28/03/14	Price (£) per tonne / 1000litre	% weekly change
Barley	168.50	-0.59
Wheat	190.00	-0.26
Straw	17.00	-
Red Diesel	675-690	-

### Deadweight Cattle Trade

QUOTES from the plants for U-3 grade prime cattle ranged from 326-328p/kg this week with similar quotes expected for early next week. The 8-14p/kg bonus is also available for in spec steers and heifers and producers should consult with individual processors about the required criteria. Quotes for cows have been similar to previous weeks at 230-250p/kg with the majority of plants quoting 240-250p/kg.

Reports from industry have indicated a tightening in the availability of prime cattle for slaughter in recent weeks with prime cattle throughput last week totalling 5,689 head. This is 180 head higher than the previous week but is 578 lower than the corresponding week in 2013 when 6,267 prime cattle were slaughtered. There have also been changes in the slaughter mix with young bulls accounting for 16 per cent of the prime cattle kill in NI last week compared to 21 per cent in the corresponding week last year. Imports of prime cattle from ROI for direct slaughter totalled 373 head last week and accounted for 6.6 per cent of the total prime kill. In the corresponding week last year prime cattle imports for direct slaughter from ROI totalled 476 head and accounted for 7.6 per cent of the total prime cattle kill. Meanwhile 181 prime cattle were exported to GB for direct slaughter last week bringing the total for 2014 to date to 2,158 head. In the corresponding period in 2013 2,969 head were exported accounting for a 27 per cent decline year on year.

The average steer price in NI last week was 333.5p/kg, up 2.9p/kg from the previous week while average heifer prices increased by 4.2p/kg to 338.8p/kg. The R3 steer price was up 1.4p/kg to 342.8p/kg while the R3 heifer price was up 5p/kg on the previous week at 345.7p/kg. Meanwhile the young bull price in NI last week was up 0.8p/kg on the previous week to 298.8p/kg and the R3 young bull price was up 4.4p/kg to 316.2p/kg. Cow prices have remained fairly steady with the average price within half a penny of the previous week at 221.8p/kg.

In GB prices have started to come under pressure as increased supplies of prime cattle come forward for slaughter and demand for beef remains steady. The average steer price in GB last week was back 2.3p/kg from the previous week to 362.0p/kg while the R3 steer price was back 1.4p/kg to 366.0p/kg. This is the lowest recorded GB R3 steer price since early December 2012. Heifer prices have come under similar pressure with the average heifer price back by 3.6p/kg to 361.3p/kg and the R3 heifer price back by 3.6p/kg to 363.2p/kg. Average steer and heifer prices recorded declines in all the GB regions last week. Average young bull prices in Southern England last week increased by 6.8p/kg to 327.8p/kg while average prices were back in all the other regions.

Strong supplies of cattle to meet demand has continued in ROI with reports of some producers having to wait 2-3 weeks to get cattle slaughtered. In sterling terms R3 steer and heifer prices were back in the region of 3.5p/kg to 314.9p/kg and 324p/kg respectively. In comparative terms a 350kg R3 grade steer in ROI last week was £100 behind NI prices and £180 behind prices in GB.

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

	W/E 29/03/2013	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	344.4	323.8	384.8	373.2	370.5	368.6	375.1
	R3	342.8	314.9	375.8	366.3	360.1	356.9	366.0
	R4	344.5	315.0	378.5	374.9	362.7	356.6	370.5
	O3	326.6	300.4	355.5	340.8	335.7	331.7	341.7
	AVG	333.5	-	376.7	365.0	354.2	345.2	362.0
Heifers	U3	351.2	339.0	383.9	371.6	375.2	365.8	375.7
	R3	345.7	324.0	372.4	364.8	357.5	354.2	363.2
	R4	343.8	323.4	375.9	368.0	359.7	356.7	366.2
	O3	332.7	308.0	349.1	346.6	334.6	329.4	341.0
	AVG	338.8	-	375.6	363.6	355.9	342.4	361.3
Young Bulls	U3	328.6	295.7	362.2	343.7	361.2	367.3	357.3
	R3	316.2	285.4	357.3	330.5	347.5	349.3	341.9
	O3	294.1	262.3	322.1	297.5	317.4	332.7	314.8
	AVG	298.8	-	326.4	312.5	334.0	327.8	325.1
Prime Cattle Price Reported		4605	-	6221	5675	5239	3865	21000
Cows	O3	241.4	232.8	252.3	250.1	257.9	247.2	250.8
	O4	244.2	234.7	260.4	253.0	262.1	249.8	255.2
	P2	196.0	195.9	179.7	194.9	208.8	191.2	189.8
	P3	219.4	220.8	224.0	224.5	227.1	218.5	222.2
	AVG	221.8	-	251.1	231.0	249.4	219.1	235.3

- Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.17p 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

W/E 29/03/14	1st QUALITY			2nd QUALITY		
	From	To	Average	From	To	Average
<b>Finished Cattle (p/kg)</b>						
Steers	205	220	209	170	204	187
Friesians	145	177	162	116	144	136
Heifers	200	215	205	165	199	182
Beef Cows	145	184	157	115	144	130
Dairy Cows	100	130	110	60	99	80
<b>Store Cattle (p/kg)</b>						
Bullocks up to 400kg	204	229	215	170	203	186
Bullocks 400kg - 500kg	216	251	226	180	215	196
Bullocks over 500kg	207	234	217	165	206	188
Heifers up to 450kg	202	221	215	160	200	180
Heifers over 450kg	200	224	212	170	199	186
<b>Dropped Calves (£/head)</b>						
Continental Bulls	300	395	345	200	298	250
Continental Heifers	225	335	260	120	222	170
Friesian Bulls	100	200	140	40	98	70
Holstein Bulls	50	110	80	1	48	25

# SHEEP TRADE

## HOGGET QUOTES

(P/Kg DW)	This Week 31/03/14	Next Week 07/04/14
NI Factories	480p>22kg	480-490p>22kg

## REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 15/03/14	W/E 22/03/14	W/E 29/03/14
NI Liveweight	389.8	408.7	433.6
NI Deadweight	430.7	441.5	468.4
ROI Deadweight	404.7	409.7	458.4
GB Deadweight	448.8	468.0	477.0

## Deadweight Sheep Trade

THE buoyant trade for hoggets has continued this week with the plants quoting 480-490p/kg for R3 grading hoggets. The throughput in the NI plants has continued to decline with reports of hoggets starting to become thin on the ground with firm competition between the local plants and plants south of the border. Throughput in the NI plants last week totalled 4,286 head with a further 7,172 hoggets exported to ROI for direct slaughter. The average deadweight price in NI last week increased by 26.9p/kg to 468.4p/kg while prices in ROI increased by almost 50p/kg to 458.4p/kg. Meanwhile in GB the average deadweight price increased by 9p/kg to 477p/kg

## This week's marts

THE firm trade for good quality hoggets has continued across the marts this week with prices similar to the previous week. There has however been a marked increase in throughput from last week in several of the marts. In Massereene on Monday 1,266 hoggets sold from 420-478p/kg. This was similar to the previous week when 1,020 hoggets sold from 410-473p/kg. In Kilrea on Monday 540 hoggets sold from 430-464p/kg compared to 520 hoggets last week selling from 430-478p/kg. In Rathfriland on Tuesday 1,100 hoggets sold to an average of 444p/kg compared to 828 hoggets last week selling to an average of 452p/kg. The trade for cull ewes has also improved in recent weeks with top prices of over £100 for well fleshed ewes reported in most of the marts.

## LATEST SHEEP MARTS

From: 29/03/14		Hoggets (P/KG LW)			
To: 04/04/14		No	From	To	Avg
Saturday	Omagh	740	438	476	-
	Swatragh	850	435	483	-
Monday	Massereene	1266	420	478	-
	Kilrea	540	430	464	-
Tuesday	Saintfield	624	410	480	-
	Rathfriland	1100	410	476	444
Wednesday	Ballymena	1465	380	488	410
	Enniskillen	898	412	451	-
	Markethill	1150	400	448	-

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