

DIFFERENTIAL IN QUOTES AND PRICES PAID

QUOTES from the major NI plants this week for in spec U-3 grade steers and heifers ranged from 330-336p/kg with the majority of plants quoting in the region of 334p/kg. Prime cattle slaughtered in NI are generally paid for on a pricing grid which uses the U-3 quote as a base price to work out a value of other individual grades. It should however be noted that the pricing grid is there as a guide only and there may be some variation in its application from plant to plant.

In reality the deadweight prices available for individual grades of prime cattle are primarily driven by supply and demand and the price paid is open to negotiation between producers and processors. Given the degree of flexibility in the current pricing system there are often notable differences between what the plants are quoting for prime cattle and what is actually being paid. Every plant will be servicing a range of different end customers for their beef and the cattle that best fit the market specification profile will generally be the ones most sought after. Analysis of price reporting data allows a comparison to be drawn between the prices being quoted by the plants and the prices they actually paid.

For the purposes of analysis we have used the deadweight prices paid for 3,909 R-3 grade steers during 2016 to date as this is the most popular price reported grade in NI and therefore provides

the most robust indicator of changes in the deadweight cattle trade. Only steers that are in spec for age, weight, grade, number of farms resided on and FQ status have been included in the dataset. Aberdeen Angus, Hereford and Organic cattle have also been removed as any bonuses paid for these cattle are not included in base quotes from the major processors.

Figure 1 displays the range in quotes from the major NI processors for in spec R-3 grade steers during 2016 to date with the blue band outlining the difference between the lowest and highest quote received each week. As indicated there is a range in the quoted prices across the plants within any given week. The red line on Figure 1 indicates the prices paid for in spec R-3 grade steers during 2016 to date. As indicated in the chart the prices paid for in spec R-3 grade steers have been consistently above the quoted prices during the period under analysis and this differential has widened marginally in recent weeks.

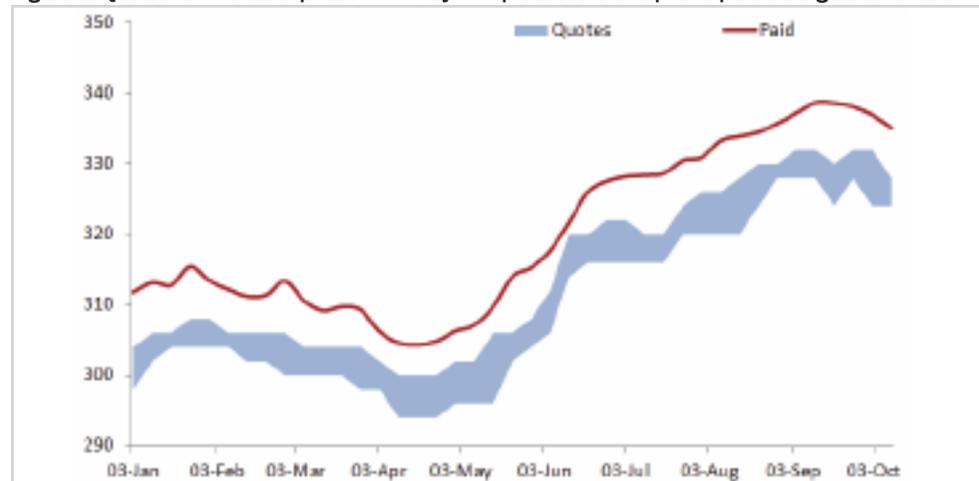
The chart indicates a slight lag in the trends shown between the quoted prices and the prices paid. Prime cattle may be bought at an agreed price a week, or in some cases several weeks, before they are actually slaughtered and price reported by which stage there may have been changes in the deadweight cattle trade. The average differential between the top quoted prices from the major NI

processors and the prices recorded in any given week during the period under analysis was 6p/kg. During this nine month period the differential between the top quoted price and the price paid ranged from 2p/kg to 9p/kg.

This analysis indicates that higher prices are available than initial quotes suggest for in spec R-3 grade steers and this differential has generally remained during periods when both the quotes and prices paid have come under pressure. It is however worth noting that while there is a

differential between the quoted prices and the average price paid for in spec R-3 grade steers some price reported cattle were bought at the quoted prices during the period under analysis while other cattle were paid significantly more. With a range in the prices paid for in-spec R-3 grade steers during any particular week producers are encouraged to produce cattle that meet market specifications and to use the base quotes from the major plants as a starting point for negotiation and shop around for the best possible deal.

Figure 1: Quotes for R-3 steer prices from major NI processors and prices paid during 2016 to date



EU HEIFER PRICES UPDATE

THE EU league table provides a useful comparison of deadweight prices received by beef finishers across the EU by ranking EU countries in terms of the farmgate prices paid for R3 grade heifers as outlined in Table 1. During the week ending 02 October 2016 the average R3 heifer price in the EU was 374.1c/kg, a decrease of 4c/kg from the week ending 04 September 2016 when the average R3 heifer price in the EU was 378.1c/kg. During the week ending 02 October 2016 €1=86.4p, an increase from the week ending 04 September 2016 when €1=84.8p.

In NI during the week ending 02 October 2016 the R3 heifer price was the equivalent of 393.7c/kg, a decrease of 6.8c/kg from the week ending 04 September 2016 when the R3 heifer price was the equivalent of 400.6c/kg. This decrease in the R3 heifer price in euro terms moved NI down one position into fifth on the EU league table. The differential in R3 heifer prices between NI and the EU average narrowed from 22.5c/kg during the week ending 04 September to 19.6c/kg during the week ending 02 October 2016.

GB retained second position in the league table with an equivalent R3 heifer price of 419.4c/kg during the week ending 02 October 2016, a decrease of 5.8c/kg from the week ending 04 September 2016 when it was 425.2c/kg. The differential in R3 heifer price between GB and the EU

average narrowed from 47.1c/kg in week ending 04 September 2016 to 45.3c/kg in the week ending 02 October 2016.

ROI moved down two places on the league table to eighth position during the week

ending 02 October 2016 with an R3 heifer price of 374.9c/kg which was a decrease of 12.8c/kg from the week ending 04 September 2016. This placed ROI 0.8c/kg above the EU average price and 18.8c/kg lower than the equivalent price in NI.

Table 1: EU Deadweight Cattle Prices - Heifers R3 Equivalent (€ Cents)

Position last Mth	Position this Mth	Country	Price last Mth (w/e 04.09.16)	Price this Mth (w/e 02.10.16)	Change on Mth (cents)
1	1	Sweden	507.9	458.2	-49.7
2	2	Great Britain	425.2	419.4	-5.8
3	3	Italy	413.3	408.5	-4.8
5	4	Luxembourg	394.8	398.8	+3.9
4	5	Northern Ireland	400.6	393.7	-6.8
8	6	Spain	367.7	379.9	+12.2
7	7	France	382.0	375.0	-7.0
6	8	Ireland	387.7	374.9	-12.8
10	9	Denmark	353.2	368.5	+15.3
9	10	Germany	358.6	358.4	-0.2
11	11	Austria	348.5	349.3	+0.8
12	12	Slovenia	327.8	324.6	-3.2
13	13	Belgium	311.0	309.0	-2.0
14	14	Poland	302.0	301.5	-0.5
15	15	Czech Republic	266.8	271.4	+4.5
16	16	Lithuania	235.0	235.8	+0.8
		<i>EU Average</i>	378.1	374.1	-4.0
		Euro (€1=)	84.8	86.4	+1.6

WELFARE OF ANIMALS DURING TRANSPORT

CURRENT transport legislation states that an animal must be fit for an intended journey before the journey starts and must remain sufficiently fit throughout the journey.

This means the animal should be healthy enough to tolerate the entire journey (including loading, unloading and any journey breaks) with no or very little adverse effect on it; the journey should not cause the animal any suffering or injury.

Guidelines for the Welfare of Animals During Transport are detailed in the FQAS Standard pages 76-84 and all FQAS participants would be advised to read these.

Essential Points to Remember

1. If you transport animals it is your responsibility to ensure that they are fit for transport, even though other competent and responsible people (e.g. the animal's owner) may be involved in assessing the fitness of an animal for transport.
2. Assessment of fitness is an ongoing procedure that should be

repeated throughout a journey, and not something that should only be undertaken before the start of it.

The condition of an animal can change rapidly during a journey, and an animal that was initially fit at the outset, may – for several reasons – become unfit later in the journey. Transporters/herd or flock keepers should take the opportunities presented by rest, toilet and other breaks in the journey to re-check their animals.

3. Whenever the fitness of an animal or group of animals is in doubt, or disputed, transporters/herd or flock keepers are advised strongly before undertaking transport to obtain the professional opinion of a veterinary surgeon and consider and follow any advice given. The transporter/herd or flock keeper may wish to obtain a written opinion from the veterinarian.

4. Where animals that are slightly ill or injured are judged to be sufficiently fit for transport, it will often be necessary to provide better transport conditions during the journey.



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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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 10/10/16	Next Week 17/10/16
Prime		
U-3	330 - 336p	330 - 336p
R-3	324 - 330p	324 - 330p
O+3	318 - 324p	318 - 324p
P+3	264 - 284p	264 - 284p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 250p	240 - 250p
Steakers	140 - 170p	140 - 170p
Blues	120 - 130p	120 - 130p

Cow quotes vary depending on weight and grade.
Pricing policies vary from plant to plant. Producers are advised to check pricing policies before presenting cattle for slaughter.

REPORTED NI CATTLE PRICES - P/KG

W/E 08/10/16	Steers	Heifers	Young Bulls
U3	341.2	345.3	331.2
R3	336.1	339.1	333.2
O+3	327.9	327.8	313.8

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 08/10/16	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	158.3	166.7	178.8	185.3
P2	174.4	193.5	214.7	226.6
P3	187.1	209.0	228.1	235.7
O3	180.0	228.3	245.9	255.0
O4	198.0	245.0	251.4	254.2
R3	-	-	269.5	272.0

Deadweight Cattle Trade

BASE quotes from the major NI processing plants for prime cattle have remained steady this week ranging from 330-336p/kg for in spec U-3 grade steers and heifers. Quotes for good quality O+3 grade cows were unchanged ranging from 240-250p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

A total of 6,696 prime cattle were slaughtered in NI plants last week which was an increase of 221 head from the previous week. Meanwhile cow throughput in NI last week increased to 2,267 head, the highest cow throughput during 2016 to date. In the corresponding week in 2015 a total of 6,315 prime cattle and 1,992 cows were slaughtered in NI.

Prime cattle imports from ROI for direct slaughter in NI plants last week totalled 49 head, a decline of 54 head from the previous week and accounting for less than one per cent of the total NI prime cattle kill. In the corresponding week in 2015 a total of 483 prime cattle were imported from ROI accounting for eight per cent of the total NI prime cattle kill. Cow imports from ROI for direct slaughter in NI plants last week totalled 40 head compared to 191 head in the same week in 2015. Meanwhile 183 cows were exported from NI for direct slaughter in ROI plants last week, an increase from the 68 cows exported during the previous week. A further 178 prime cattle and 45 cows were exported from NI to GB for direct slaughter last week, very similar to the 177 prime cattle and 43 cows exported during the same week last year.

Deadweight prices have generally come under some pressure in NI with reported prices back for the majority of grades. The average steer price in NI last week was back by 0.8p/kg to 331.4p/kg while the R3 steer price was back by a similar margin to 340.6p/kg. The average heifer price in NI last week was back by 2.7p/kg to 334.4p/kg while the R3 heifer price was back marginally to 341.9p/kg. The average cow price in NI last week decreased by 4.4p/kg to 229.1p/kg while the O3 cow price recorded an increase of 1.7p/kg to 253.3p/kg.

In GB last week the deadweight trade also came under pressure with the average steer price back by 3.8p/kg to 352.5p/kg while the R3 steer price decreased by 2.8p/kg to 362.5p/kg. This puts the differential in R3 steer prices between NI and the GB average last week at 21.9p/kg which is the equivalent of £77 on a 350kg carcass. The average heifer price in GB last week was back by 2.8p/kg to 355p/kg while the R3 heifer price was back by 1.9p/kg to 362.5p/kg. This puts the differential in R3 heifer prices last week between NI and the GB average at 20.6p/kg which is the equivalent of £72 on a 350kg carcass.

In ROI last week deadweight prices for prime cattle were back in euro terms however the continued strengthening of the euro against sterling meant prices increased in sterling terms. The R3 steer price in ROI last week was the equivalent of 321.9p/kg, an increase of 5.6p/kg from the previous week while the R3 heifer price was up by 6.6p/kg to 332.5p/kg. The O3 cow price in ROI last week increased by 5.8p/kg to 255.3p/kg which is puts it two pence above the equivalent price in NI.

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

	W/E 08/10/2016	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	342.3	330.5	383.0	357.7	359.8	360.5	365.5
	R3	340.6	321.9	382.3	357.5	354.2	355.1	362.5
	R4	340.7	320.7	383.6	365.9	359.4	356.2	367.7
	O3	333.1	304.6	360.9	329.8	323.4	327.9	336.0
	AVG	331.4	-	378.0	351.1	340.5	336.7	352.5
Heifers	U3	345.3	344.3	388.9	368.5	366.4	366.7	373.2
	R3	341.9	332.5	381.4	356.0	356.7	353.1	362.5
	R4	341.6	331.2	382.2	359.3	359.9	354.9	365.2
	O3	335.3	318.9	354.3	327.5	323.6	329.3	334.4
	AVG	334.4	-	379.5	350.4	343.4	341.2	355.0
Young Bulls	U3	331.6	327.5	377.1	343.9	353.1	355.4	354.4
	R3	330.9	320.3	369.7	334.6	340.1	337.8	343.4
	O3	311.7	308.0	324.7	293.6	310.1	316.2	310.5
	AVG	316.0	-	351.2	312.8	323.2	312.4	323.4
Prime Cattle Price Reported	6048	-	6741	6563	6665	4446	24415	
Cows	O3	253.3	255.3	249.0	233.6	241.6	237.7	239.7
	O4	253.9	256.9	252.6	234.0	238.7	233.9	238.3
	P2	215.0	232.0	210.3	190.4	196.6	190.8	195.7
	P3	232.1	245.1	217.1	199.0	208.4	214.5	208.3
	AVG	229.1	-	237.2	198.4	199.0	200.2	203.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.34p 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 08/10/16	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	190	210	198	170	189	180
Friesians	141	156	147	120	140	130
Heifers	189	203	194	165	186	176
Beef Cows	131	185	145	105	130	120
Dairy Cows	100	114	105	60	99	75
Store Cattle (p/kg)						
Bullocks up to 400kg	210	240	220	165	209	188
Bullocks 400kg - 500kg	200	230	215	160	199	180
Bullocks over 500kg	200	220	206	150	199	175
Heifers up to 450kg	200	229	215	155	199	180
Heifers over 450kg	190	222	205	146	189	175
Dropped Calves (£/head)						
Continental Bulls	280	395	315	180	278	230
Continental Heifers	220	330	260	100	218	160
Friesian Bulls	75	125	100	40	72	55
Holstein Bulls	50	100	75	5	48	30

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 10/10/16	Next Week 17/10/16
Lambs	375-380 > 21kg	370-375 > 21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 24/09/16	W/E 01/10/16	W/E 08/10/16
NI Lambs L/W	342.3	334.5	333.8
NI Lambs D/W	376.7	377.5	373.3
GB Lambs D/W	405.1	400.8	394.6
ROI D/W	389.2	389.1	390.3

Deadweight Sheep Trade

THE deadweight lamb trade in NI strengthened during this week with quotes for R3 grade lambs firming at 380p/kg however quotes for early next week are back in the region of 370-375p/kg. Throughput has declined in the NI plants with a total of 10,331 lambs killed locally last week compared to 11,801 lambs the previous week. Average carcass weights in NI last week recorded an increase to 21.1kg with plants paying up to 21kg. In the corresponding week in 2015 lamb throughput totalled 12,657 head with an average carcass weight of 21.4kg. A further 9,369 sheep were exported to ROI for direct slaughter last week compared to 8,741 sheep the previous week. Reported deadweight prices were back in NI last week at an average of 373.3p/kg, a decrease of 4.2p/kg from the previous week while the average deadweight lamb price in ROI last week increased by 1.2p/kg to 390.3p/kg.

This week's marts

STEADY numbers of lambs have been passing through the sale rings this week. In Massereene on Monday 1,216 lambs sold from 320-358p/kg compared to 881 lambs the previous week selling from 320-348p/kg. In Rathfriland on Tuesday 1,000 lambs sold from 328-388p/kg compared to 650 lambs the previous week selling from 321-377p/kg. In Enniskillen this week 360 lambs sold from 340-373p/kg compared to 389 lambs the previous week selling from 332-356p/kg. The ewe trade firmed slightly this week with top prices for cull ewes generally ranging from £80-100 and a top reported price of £108 in Kilrea on Monday.

LATEST SHEEP MARTS

From: 07/10/16		Lambs (P/KG LW)			
To: 13/10/16		No	From	To	Avg
Friday	Newtownstewart	450	321	357	-
Saturday	Swatragh	1085	345	410	375
	Omagh	1568	347	381	-
Monday	Massereene	1216	320	358	-
	Kilrea	450	328	343	-
Tuesday	Saintfield	590	320	370	-
	Rathfriland	1000	328	388	347
Wednesday	Omagh	290	312	349	335
	Ballymena	2483	315	350	326
	Enniskillen	360	340	373	-
	Markethill	1400	320	354	-
	Armoyle	347	315	348	328

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