LMC BULLETIN

*WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND*

Saturday 26 November 2016 Issue No. 2446

# DIFFERENTIAL BETWEEN NI AND GB NARROWS

THE average R3 steer price in NI last week was up by a penny from the previous week at 350.1p/kg. This was the fifth consecutive week in which it recorded an increase and brings the R3 steer price in NI to its highest recorded levels since March 2015. In the corresponding week last year the R3 steer price in NI was 322.4p/kg which accounts for an increase of 27.7p/kg. This represents an increase in the value of a 350kg R3 grade steer carcase by £97 year on year.

Deadweight prime cattle prices have also firmed in GB in recent weeks with an average R3 steer price last week of 360.9p/kg. In the corresponding week in 2015 the average R3 steer price in GB was 352.6p/kg which accounts for an 8.3p/kg increase year on year. On a 350kg R3 steer carcase this accounts for a £29 increase year on year.

However while prices have firmed in GB they have not firmed to the same extent as those in NI which has resulted in a narrowing of the price differential as indicated in Figure 1. Last week the price differential in R3 steer prices between NI and the GB average R3 steer price was 10.8p/kg or £38 on a 350kg carcase while in the corresponding week last year the differential was 30.3p/kg or £106 on a 350kg carcase.

It should however be noted that there is significant variation in the prices achieved for R3 steers across the GB regions, as Figure 2 shows. In Scotland last week the average R3 steer price was 373.8p/kg, back by almost 1p/kg from the previous week. Deadweight prices in Scotland have traditionally been higher than other UK regions due to the higher proportion of suckler origin cattle in the slaughter mix, the strong branding of Scotch Beef and a larger proportion of the prime cattle attracting a premium breed bonus at point of slaughter than other UK regions. The average R3 beef price in Scotland last week was 23.7p/kg higher than the equivalent price in NI and 12.9p/kg above the average GB price.

Northern England has a similar prime cattle slaughter mix as NI in terms of the proportion of cattle sourced from suckler and dairy herds and also has a similar proportion of prime cattle that attract premium bonuses at point of slaughter. It is therefore viewed as a good comparison for NI beef prices. In Northern England last week the average R3 steer price was 359.2p/kg, up by 3.4p/kg from the previous week and 9.9p/kg higher than the corresponding week in 2015 when the R3 steer price was 349.3p/kg. This accounts for a £35 increase in the value of a 350kg R3 grade steer in the region year on year. The differential in R3 steer prices between NI and Northern England last week was 9.1p/kg compared to 26.9p/kg in the corresponding week last year.

In the Midlands and Wales last week the average R3 steer price was 353.3p/kg, back 1.5p/kg from the previous week and 10.2p/kg higher than the corresponding week last year. The differential between NI and the Midlands last week was 3.2p/kg or £11 on a 350kg carcase. Meanwhile in Southern England last week the average R3 steer price was 357.4p/kg, back 0.9p/kg from the previous week. This puts the R3 steer price in the region 7.3p/kg higher than the average R3 steer price in NI.

Meanwhile in ROI last week the average R3 steer price was the equivalent of 308.7p/kg, 41.4p/kg below the R3 steer price in NI and 52.2p/kg below the average R3 steer price in GB. There have been notable fluctuations in the sterling/euro exchange rate in recent months following the decision by the UK to leave the European Union. The decision resulted in ROI prices increasing strongly in sterling terms to just 1.5p/kg lower than the equivalent NI price in the week ending 02 July 2016. The differential however has gradually widened again as sterling has steadily gained ground against the euro.

Figure 1: R3 steer prices in GB, NI and ROI during 2016 to date

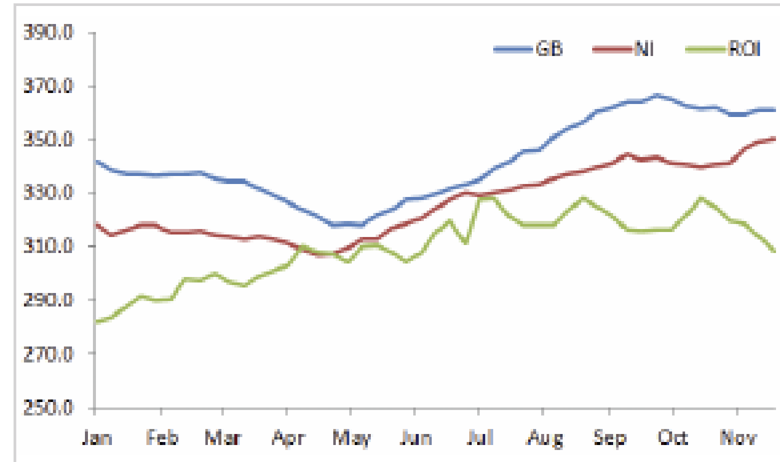
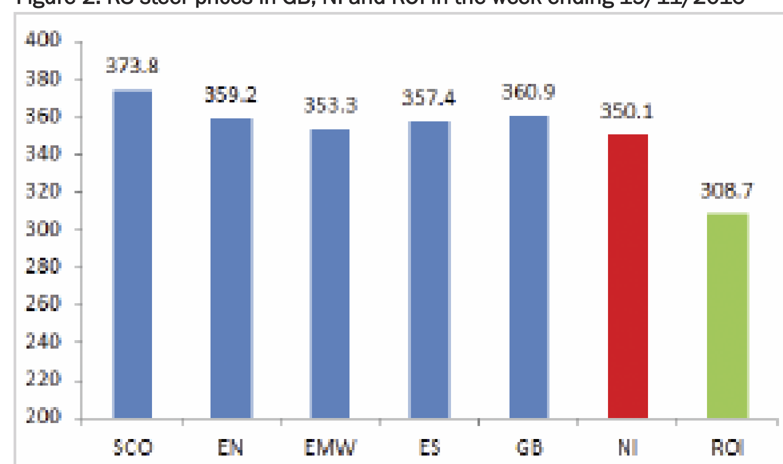



Figure 2: R3 steer prices in GB, NI and ROI in the week ending 19/11/2016



# FQAS MART CLINICS DECEMBER 2016

| LOCATION | DAY | DATE |
|---|---|---|
| Omagh | Monday | 05/12/2016 |
| Saintfield | Wednesday | 07/12/2016 |
| Markethill | Tuesday | 13/12/2016 |
| Enniskillen | Thursday | 15/12/2016 |
| Ballymena | Friday | 16/12/2016 |
| Kilrea | Wednesday | 21/12/2016 |

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to or following an inspection. Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic. Terry will be available at the livestock marts listed in the table above from 10am to 1.30pm. For further information call (028) 9263 3024.

# STERLING MAKES GAINS AGAINST EURO

THE value of euro against sterling strengthened significantly following the decision by the UK to leave the European Union in June this year. This shift in the exchange rate has benefitted NI beef producers in the short term by increasing the cost of beef imports from other EU countries and thereby reducing their competitiveness on Uk markets whilst also making UK origin beef more competitive on key EU markets.

NI sheep producers meanwhile have also benefitted from a stronger euro with a larger proportion of NI origin lambs exported to ROI for direct slaughter this summer and autumn when compared to previous years. It has also made it easier for NI processors to market NI lamb on key export markets in the EU by making NI produce more cost competitive.

The stronger euro has also benefitted NI beef and sheep producers by increasing the value of their Single Farm Payment which is calculated on the average euro/sterling exchange rate during the month of September. In September 2016 the average exchange rate was €1 = £0.85228, a 16.5 per cent increase from September 2015 when the average exchange rate was €1 = £0.73129. Though while there have been short term benefits to a weaker sterling to NI producers there are also longer term factors which need to be considered such as increased input costs for feed, fuel and fertilisers to farm businesses.

In recent weeks days the value of sterling has started to record some gains against the euro with €1 = £0.85 on Thursday 24 November according to the European Central Bank compared to €1 = £0.90 earlier this month. However the value of euro against sterling remains at relatively high levels when compared to previous years with the average exchange rate during 2014 of €1 = £0.73 while the average exchange rate during 2015 was it was €1 = £0.81

# SUCKLER BEEF FARM WALKS

## USE OF SYNCHRONISATION AND AI ON SUCKLER COWS AND HEIFERS

TOPICS

- Factors affecting herd fertility
- Synchronisation of Suckler Cows and Replacement Heifers
- Bull Selection
- Calf Performance
- Bovine Information System (BovIS)

**For biosecurity reasons please wear clean clothing and footwear not normally worn on your own farm.** Farm walks will commence at regular intervals starting at 11am with the last group beginning at 12.30pm. The farm walks can be used as a 'qualifier meeting' for those involved in beef Business Development Groups (BDGs).

SCHEDULE

**Wednesday 30 November 2016**
Patrick and Ciaran Kearney
350 Lisnaragh Road
Plumbridge
Co Tyrone
BT79 8AP

**Thursday 1 December 2016**
Arti Birt
30 Deerpark Road
Portaferry
Co Down
BT22 1PN

For further details tel; (028) 92681613
or email info@agrisearch.org

LMC

FQAS Helpline
If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:
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# WEEKLY BEEF & LAMB MARKETS

LMC

## CATTLE TRADE

### NI FACTORY QUOTES FOR CATTLE

| (P/KG DW) | This Week 21/11/16 | Next Week 28/11/16 |
|---|---|---|
| **Prime** | | |
| U-3 | 340 - 344p | 342 - 346p |
| R-3 | 334 - 338p | 336 - 340p |
| O+3 | 328 - 332p | 330 - 334p |
| P+3 | 274 - 292p | 276 - 294p |
| | 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 19/11/16 | Steers | Heifers | Young Bulls |
|---|---|---|---|
| U3 | 351.4 | 353.7 | 339.9 |
| R3 | 347.1 | 347.7 | 340.7 |
| O+3 | 339.7 | 338.9 | 325.3 |

*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

| w/e 19/11/16 | Wgt <220kg | Wgt 220-250kg | Wgt 250-280kg | Wgt >280kg |
|---|---|---|---|---|
| P1 | 159.8 | 169.5 | 177.1 | 194.3 |
| P2 | 177.7 | 196.0 | 213.9 | 229.3 |
| P3 | 192.8 | 214.1 | 232.7 | 237.3 |
| O3 | 180.0 | 232.0 | 244.3 | 256.0 |
| O4 | 180.0 | 229.4 | 248.9 | 256.4 |
| R3 | - | - | - | 272.9 |

## Deadweight Cattle Trade

TOWARDS the end of this week base quotes from the major NI processors for U-3 grade prime cattle ranged from 342-346p/kg with similar quotes expected for Monday. However with reports of higher prices being available producers are encouraged to use the quotes as a starting point for negotiation. Quotes for good quality O+3 grade cows remained steady this week at 240-250p/kg across the plants.

Reports from the local plants have indicated a reduction in prime cattle supplies coming forward for slaughter with a total of 6,434 prime cattle killed in NI plants last week, a decrease of 334 head from the 6,768 prime cattle killed the previous week. In the corresponding week in 2015 a total of 6,777 prime cattle were killed in NI plants. Meanwhile cow throughput increased last week with a total of 2,703 cows coming forward for slaughter compared to 2,565 cows the previous week and 2,350 cows during the same week last year.

Imports of cattle from ROI for direct slaughter in NI continued at low levels last week with 42 prime cattle and 3 cows imported. In the corresponding week in 2015 imports of cattle from ROI were markedly higher with 433 prime cattle and 67 cows imported for direct slaughter. A total of 79 cows were exported from NI for direct slaughter in ROI last week. While this was similar to the previous week it was notably lower than the corresponding week in 2015 when 322 cows were exported to ROI. A further 32 prime cattle and 10 cows were exported from NI to GB for direct slaughter last week, the lowest weekly level of export since July this year.

Deadweight prices generally strengthened in NI last week with the average steer price up by 0.6p/kg to 339.7p/kg while the R3 steer price increased by a penny to 350.1p/kg. The average heifer price in NI last week was up by 2.5p/kg to 343.2p/kg while the R3 heifer price increased by 3.7p/kg to 351.8p/kg. The average cow price in NI last week recorded an increase of 1.4p/kg to 228p/kg while the O3 cow price was up by 3.3p/kg to 254.2p/kg.

The deadweight cattle trade in GB last week held steady with the average steer price up marginally to 351.9p/kg while the R3 steer price was unchanged at 360.9p/kg. This puts the differential in R3 steer prices between NI and the GB average last week at 10.8p/kg, the narrowest differential between the regions since early July this year. The average heifer price in GB last week was up by 1.4p/kg to 353.7p/kg while the R3 heifer price was almost unchanged at 360.1p/kg. The differential in R3 heifer prices last week between NI and the GB average was 8.3p/kg which is the equivalent of £29 on a 350kg carcase.

In ROI last week the deadweight cattle trade firmed in euro terms however a weakening in euro against sterling caused a decline in ROI deadweight prices in sterling terms. The R3 steer price in ROI last week was the equivalent of 308.7p/kg, back by 5.3p/kg from the previous week while the R3 heifer price was the equivalent of 321.5p/kg, back by 5.1p/kg.

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

| W/E 19/11/2016 | | Northern Ireland | Rep of Ireland | Scotland | Northern England | Midlands & Wales | Southern England | GB |
|---|---|---|---|---|---|---|---|---|
| Steers | U3 | 352.2 | 317.5 | 377.2 | 362.0 | 360.2 | 362.1 | 365.5 |
| | R3 | 350.1 | 308.7 | 373.8 | 359.2 | 353.3 | 357.4 | 360.9 |
| | R4 | 347.7 | 309.9 | 376.3 | 372.3 | 355.6 | 351.3 | 367.8 |
| | O3 | 341.5 | 293.3 | 351.7 | 331.1 | 325.5 | 329.9 | 335.0 |
| | AVG | 339.7 | - | 371.3 | 353.4 | 340.5 | 336.0 | 351.9 |
| Heifers | U3 | 354.9 | 332.2 | 381.5 | 367.2 | 363.1 | 368.0 | 369.9 |
| | R3 | 351.8 | 321.5 | 373.4 | 355.4 | 355.3 | 354.3 | 360.1 |
| | R4 | 350.0 | 322.1 | 373.4 | 364.3 | 355.6 | 352.8 | 363.3 |
| | O3 | 343.8 | 309.6 | 355.6 | 336.8 | 330.1 | 334.0 | 339.7 |
| | AVG | 343.2 | - | 370.9 | 355.6 | 343.1 | 337.9 | 353.7 |
| Young Bulls | U3 | 339.9 | 315.5 | 365.9 | 344.7 | 350.2 | 353.6 | 351.1 |
| | R3 | 339.4 | 308.5 | 358.0 | 333.2 | 340.5 | 341.0 | 341.1 |
| | O3 | 320.2 | 297.5 | 320.4 | 291.5 | 311.0 | 307.3 | 307.3 |
| | AVG | 326.2 | - | 338.7 | 311.1 | 317.3 | 292.1 | 313.8 |
| Prime Cattle Price Reported | | 5685 | - | 6809 | 7858 | 6572 | 4482 | 25721 |
| Cows | O3 | 254.2 | 245.5 | 234.7 | 228.7 | 229.5 | 224.6 | 228.7 |
| | O4 | 254.9 | 246.9 | 235.5 | 230.0 | 234.0 | 229.8 | 232.2 |
| | P2 | 215.9 | 220.8 | 187.8 | 185.5 | 185.5 | 183.2 | 185.1 |
| | P3 | 233.1 | 235.9 | 201.7 | 202.1 | 199.8 | 205.2 | 201.9 |
| | AVG | 228.0 | - | 220.3 | 198.6 | 196.4 | 192.4 | 198.7 |

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.20p 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 19/11/16 | From | To | Avg | From | To | Avg |
| **Finished Cattle (p/kg)** | | | | | | |
| Steers | 200 | 228 | 209 | 165 | 199 | 178 |
| Friesians | 154 | 180 | 166 | 124 | 150 | 137 |
| Heifers | 190 | 209 | 201 | 150 | 189 | 168 |
| Beef Cows | 134 | 184 | 145 | 105 | 133 | 120 |
| Dairy Cows | 100 | 122 | 108 | 60 | 99 | 80 |
| **Store Cattle (p/kg)** | | | | | | |
| Bullocks up to 400kg | 210 | 230 | 218 | 170 | 209 | 190 |
| Bullocks 400kg - 500kg | 200 | 216 | 208 | 165 | 199 | 182 |
| Bullocks over 500kg | 195 | 205 | 200 | 160 | 194 | 175 |
| Heifers up to 450kg | 210 | 234 | 222 | 160 | 209 | 195 |
| Heifers over 450kg | 190 | 205 | 200 | 150 | 189 | 170 |
| **Dropped Calves (£/head)** | | | | | | |
| Continental Bulls | 280 | 395 | 325 | 200 | 278 | 230 |
| Continental Heifers | 200 | 335 | 265 | 100 | 198 | 150 |
| Friesian Bulls | 100 | 180 | 140 | 30 | 98 | 65 |
| Holstein Bulls | 75 | 150 | 115 | 10 | 72 | 45 |

# SHEEP TRADE

## SHEEP QUOTES

| (P/Kg DW) | This Week 21/11/16 | Next Week 28/11/16 |
|---|---|---|
| Lambs | 375-380 > 21kg<br>370-375 > 22kg | 375 > 22kg |

## REPORTED SHEEP PRICES

| (P/KG) | W/E 05/11/16 | W/E 12/11/16 | W/E 19/11/16 |
|---|---|---|---|
| NI Lambs L/W | 332.4 | 335.4 | 340.6 |
| NI Lambs D/W | 367.3 | 368.9 | 372.6 |
| GB Lambs D/W | 384.3 | 383.7 | 379.8 |
| ROI D/W | 365.9 | 374.8 | 370.8 |

## Deadweight Sheep Trade

THE deadweight lamb trade strengthened slightly this week with quotes for R3 grade lambs towards the end of the week of 375>22kg. Similar quotes are expected early next week. Reports have indicated a slight increase in the number of lambs coming forward for slaughter with throughput last week totalling 10,017 head. This was similar to the same week last year when 10,096 lambs were killed in NI plants. Exports of sheep to ROI for direct slaughter last week recorded a slight decrease to 10,480 head however this was higher than the corresponding week last year when 10,002 sheep were exported to ROI. The average deadweight lamb price in NI last week increased by 3.7p/kg to 372.6p/kg, notably higher than the corresponding week last year when the average lamb price was 321.3p/kg.

## This week's marts

A steady trade was reported across the marts this week with larger numbers of lambs passing through many of the sale rings when compared to the previous week. In Omagh last Saturday 1,034 lambs sold from 331-377p/kg compared to 1,185 lambs the previous week selling from 331-375p/kg. In Saintfield on Tuesday 1,024 lambs sold from 320-388p/kg compared to 681 lambs the previous week selling from 325-381p/kg. In Ballymena on Wednesday 2,501 lambs sold from 320-355p/kg compared to 1,872 lambs the previous week selling from 320-409p/kg. In Armoy on Wednesday 464 lambs sold from 325-363p/kg compared to 285 lambs the previous week selling from 321-355p/kg. The ewe trade also remained steady with top reported prices generally ranging from £70-100 with a top reported price of £115 in Omagh on Saturday.

## LATEST SHEEP MARTS

| From: 18/11/16 | | Lambs (P/KG LW) | | | |
|---|---|---|---|---|---|
| To: 24/11/16 | | No | From | To | Avg |
| Friday | Newtownstewart | 583 | 318 | 341 | - |
| Saturday | Omagh | 1034 | 331 | 377 | - |
| | Swatragh | 720 | 311 | 364 | - |
| Monday | Kilrea | 340 | 336 | 353 | - |
| | Massereene | 1056 | 340 | 368 | - |
| Tuesday | Saintfield | 1024 | 320 | 388 | - |
| | Rathfriland | 1150 | 330 | 387 | 342 |
| Wednesday | Ballymena | 2501 | 320 | 355 | 335 |
| | Enniskillen | 490 | 332 | 362 | - |
| | Markethill | 1250 | 325 | 357 | - |
| | Armoy | 464 | 325 | 363 | 338 |

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