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# DIFFERENTIAL BETWEEN NI AND GB NARROWS

THE deadweight trade for prime cattle has been relatively stable in NI during 2017 to date with the trade firming slightly in recent weeks and reports of steady supplies of prime cattle coming forward to meet demand for beef.

The average R3 steer price in NI last week was 355.9p/kg, up 2.4p/kg from the previous week and this makes it the fifth consecutive week in which it has recorded an increase. In the corresponding week in 2016 the R3 steer price in NI was 307.2p/kg. This increase by 48.7p/kg year on year accounts for an increase of £170 in the value of a 350kg R3 grade steer carcase.

The average R3 steer price in GB last week was 356.6p/kg, up marginally from the previous week and notably higher than the 321.2/kg paid in the corresponding week last year. This 35.4p/kg increase accounts for a £124 increase in the value of a 350kg R3 grade carcase year on year.

The differential in R3 steer prices between NI and GB last week was 0.7p/kg. This is the narrowest the differential between the regions has been since early May 2015. In the same week last year the differential in R3 steer prices between the regions was 14p/kg which is the equivalent of £49 on a 350 kg carcase.

While deadweight prices for prime cattle in both GB and NI have improved year on year the rate of increase in deadweight prices has been more pronounced in NI. As a result the differential in prices between the two regions has narrowed significantly.

There is however significant variation in R3 steer prices across the GB regions as indicated in Figure 2 which displays the R3 steer prices in NI, ROI and the GB regions last week. The average R3 steer price in GB last week was just above the equivalent price in NI at 356.6p/kg however Scotland was the only GB region with an R3 steer price higher than NI last week at 365.1p/kg.

The R3 steer price in Northern England last week was 352.1p/kg, 3.8p/kg lower than the equivalent price in NI. In the Midlands and Wales the R3 steer price was 355.3, 1.3p/kg below the NI price while in Southern England the R3 steer price was 352.6p/kg, 4p/kg below the NI R3 steer price.

The narrowing of the differential between NI and GB in terms of deadweight prices has resulted in a notable reduction in the number of cattle being exported from NI for direct slaughter in GB plants during 2017 to date. A total of 382 prime cattle were exported from NI to GB this year, back from 2,015 exported during the same period last year. In recent weeks increasing numbers of prime cattle have also made the journey from GB for direct slaughter in NI plants. During 2017 to date 143 prime cattle were imported from GB for direct slaughter in NI compared to 18 prime cattle during the same period in 2016.

The differential in R3 steer prices between ROI and NI has also narrowed since the start of the year as indicated in Figure 1. In the first week of January 2017 the differential between the regions was the equivalent of 40.3p/kg or £141 on a 350kg carcase and last week the differential was 21.1p/kg or £74 on a 350kg carcase.

The notable narrowing of the differential between the two regions can be attributed to a firming of the deadweight cattle trade in ROI since the start of 2017 as there has been very little change in the euro/sterling exchange rate over this period. In the first week of January 2017 €1 was worth £0.852 while last week it was almost identical at €1 = £0.851. In euro terms the R3 steer price in ROI increased from 368.7c/kg in the first week of 2017 to 391.3c/kg last week.

Figure 1: R3 steer prices in NI, GB and ROI during 2017 to date (p/kg)

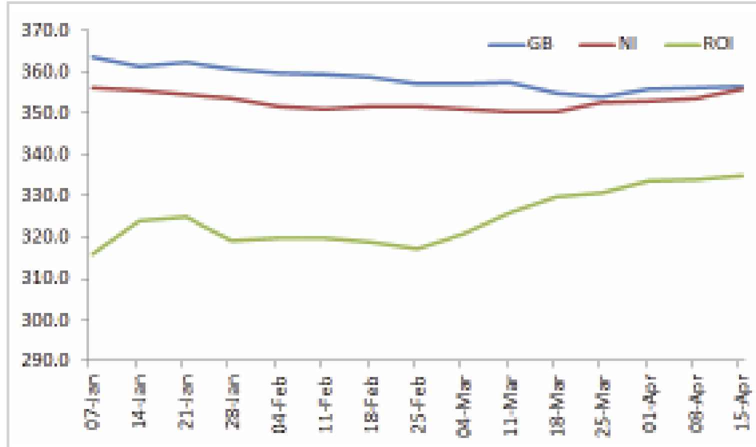
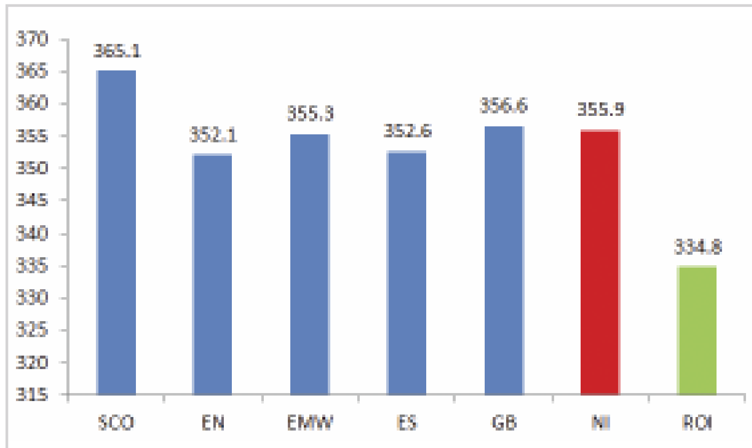



Figure 2: R3 steer prices in NI, GB and ROI w/e 15/04/2017



# PRIME KILL FAT CLASS UPDATE QUARTER 1 2017

ANALYSIS of price reporting statistics for the first quarter of 2017 have indicated a general decline in the fat scores being awarded to prime cattle being presented for slaughter in the major NI slaughtering plants when compared to year earlier levels.

During Q1 2017 23.9 per cent of the price reported steer kill achieved a fat class 4, a notable decline from the 30.5 per cent of the steer kill awarded a fat class four in the corresponding period in 2016.

Meanwhile steers awarded a fat class 3 accounted for 57.2 per cent of the prime kill during Q1 2017, up from 55.2 per cent during the same period in 2016. The proportion of steer carcases awarded a fat class 2 also increased, up from 12.8 per cent of the steer kill to 17.1 per cent. Steer carcases awarded a fat class 1 accounted for 1.4 per cent of the steer kill during Q1 2017, up half a percentage point from the same period in 2016.

Previous bulletin articles have outlined that prime cattle are being killed younger and lighter during 2017 to date than previous years. This may have been a contributing factor to the reduction in fat cover on finished prime cattle. The unsettled weather during Spring/Summer 2016 may also have had a negative impact on the quality of silage produced on many NI farms and this may also have contributed to the general reduction in fat cover scores.

During the first quarter of 2017 61 per cent of the price reported steer kill in NI were of suckler origin with a further 23 per cent beef sired steers from the dairy herd. These proportions were unchanged from the corresponding period in 2016 and therefore a shift in the slaughter mix has not contributed to the changes in the fat cover of the prime steer kill.

The general decline in the fat scores awarded can also be observed if we look at the price reported heifer kill in NI. During Q1 2017 45.1 per cent of the reported heifer kill achieved a fat class four, back from 51 per cent of the heifer kill during Q1 2016.

The proportion of heifers awarded a fat class 3 increased from 36.6 per cent of the reported kill in Q1 2016 to 41.7 per cent of the kill in Q1 2017. There was also an increase in the proportion of heifer carcases awarded a fat class 2, up from 6.1 per cent of the reported kill in Q1 2016 to 8.2 per cent in Q1 2017. Meanwhile the proportion of heifer carcases awarded a fat class 1 increased slightly to account for 1.3 per cent of heifer carcases in the 2017 period.

The factors that have contributed to the overall reduction in the fat cover on heifers slaughtered in NI plants during Q1 2017 when compared to Q1 2016 will be similar to those which affected the fat cover on steer carcases. As with the steers there was also no shift in the source of heifers killed in local plants year on year.

The fat class scores awarded to young bulls (including veal and rose veal) killed during Q1 2017 were almost unchanged from year earlier levels as outlined in Table 3. This was despite a slight shift in the source of the young bulls slaughtered in local plants year on year

During Q1 2017 54 per cent of the young bull killed were dairy sired, back from 60 per cent of the kill in the corresponding period in 2016. Suckler origin young bulls accounted for 30 per cent of the reported young bull kill in Q1 2017, up from 28 per cent in Q1 2016 while the proportion of beef sired young bulls sourced from the dairy herd increased from 11 per cent in Q1 2016 to 14 per cent in Q1 2017.

**Table 1: Fat class scores awarded to price reported steers during Quarter 1 2016 and Quarter 1 2017**

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| **2016** | 0.9% | 12.8% | 55.2% | 30.5% | 0.7% |
| **2017** | 1.4% | 17.1% | 57.2% | 23.9% | 0.4% |

**Table 2: Fat class scores awarded to price reported heifers during Quarter 1 2016 and Quarter 1 2017**

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| **2016** | 1.0% | 6.1% | 36.6% | 51.0% | 5.3% |
| **2017** | 1.3% | 8.2% | 41.7% | 45.1% | 3.7% |

**Table 3: Fat class scores awarded to price reported young bulls during Quarter 1 2016 and Quarter 1 2017**

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| **2016** | 12.6% | 49.4% | 35.0% | 2.9% | 0.0% |
| **2017** | 12.3% | 49.8% | 35.3% | 2.6% | 0.0% |

# WEEKLY BEEF & LAMB MARKETS

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## CATTLE TRADE

### NI FACTORY BASE QUOTES FOR CATTLE

| (P/KG DW) | This Week 17/04/17 | Next Week 24/04/17 |
|---|---|---|
| **Prime** | | |
| U-3 | 344 - 352p | 344 - 352p |
| R-3 | 338 - 346p | 338 - 346p |
| O+3 | 332 - 340p | 332 - 340p |
| P+3 | 282 - 300p | 282 - 300p |
| | Including bonus where applicable | |
| **Cows** | | |
| O+3 & better | 240 - 264p | 240 - 264p |
| 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 15/04/17 | Steers | Heifers | Young Bulls |
|---|---|---|---|
| U3 | 356.0 | 358.1 | 350.2 |
| R3 | 351.7 | 350.8 | 343.0 |
| O+3 | 340.7 | 343.3 | 338.5 |

*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

| W/E 15/04/17 | Wgt <220kg | Wgt 220-250kg | Wgt 250-280kg | Wgt >280kg |
|---|---|---|---|---|
| P1 | 165.9 | 184.1 | 197.5 | 225.9 |
| P2 | 184.9 | 208.0 | 238.5 | 238.5 |
| P3 | 222.0 | 221.6 | 245.3 | 248.6 |
| O3 | - | - | 255.8 | 262.9 |
| O4 | - | 258.9 | 267.2 | 264.2 |
| R3 | - | - | - | 283.5 |

## Deadweight Cattle Trade

THE deadweight cattle trade firmed this week with base quotes from the major NI processors for in spec U-3 grade prime cattle ranging from 344-352p/kg and the majority of plants quoting in the region of 350p/kg. The trade for good quality O+3 cows strengthened at the higher end with base quotes ranging from 240-264p/kg. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week totalled 5,920 head bringing throughput for the year to date to 97,774 head, a three per cent increase from the corresponding period in 2016 when 95,099 prime cattle were slaughtered. Meanwhile cow throughput in NI last week totalled 1,478 head which brings cow throughput for 2017 to date to 27,735 head, an eight per cent increase on the 25,711 cows killed during the same period last year.

Imports from ROI for direct slaughter in NI plants last week consisted of 281 prime cattle and 54 cows, compared to 191 prime cattle and 8 cows during the corresponding week in 2016. Imports from GB last week for direct slaughter consisted of 5 prime cattle and 116 cows, an increase on the 1 prime steer and 65 cows imported from GB during the same week last year. Exports from NI for direct slaughter in ROI last week consisted of 9 prime cattle and 147 cows while there were 31 prime cattle and 6 cows exported to GB for slaughter last week.

Deadweight cattle prices in NI last week generally strengthened with the average steer price up by 3.1p/kg to 346p/kg while the R3 steer price increased by 2.4p/kg to 355.9p/kg. The average heifer price in NI last week was up by 1.1p/kg to 345.4p/kg while the R3 heifer price increased by 0.8p/kg to 352.5p/kg. The average cow price in NI last week recorded an increase of 1.7p/kg to 243.2p/kg while the O3 cow price was almost unchanged at 262.2p/kg.

In GB last week the deadweight trade for prime cattle also firmed with the average steer price up by 1.7p/kg to 346.9p/kg while the R3 steer price increased marginally to 356.6p/kg. The differential in R3 steer prices last week between NI and GB was just 0.7p/kg or £2 on a 350kg carcase which is the narrowest differential since early May 2015. The average heifer price in GB last week was up by 1.8p/kg to 349.8p/kg while the R3 heifer price increased by 2.2p/kg to 358.2p/kg. This puts the differential in R3 heifer prices last week between NI and GB at 5.7p/kg or £18 on a 320kg carcase.

In ROI last week deadweight cattle prices generally increased in both euro and sterling terms. The R3 steer price in ROI was the equivalent of 334.8p/kg, up by a penny from the previous week while the R3 heifer price was also up by a penny to the equivalent of 344.4p/kg. The O3 cow price in ROI last week increased marginally to the equivalent of 274p/kg.

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

| W/E 15/04/2017 | | Northern Ireland | Rep of Ireland | Scotland | Northern England | Midlands & Wales | Southern England | GB |
|---|---|---|---|---|---|---|---|---|
| Steers | U3 | 356.7 | 343.1 | 366.0 | 357.9 | 355.5 | 358.3 | 359.2 |
| | R3 | 355.9 | 334.8 | 365.1 | 352.1 | 355.3 | 352.6 | 356.6 |
| | R4 | 352.0 | 335.8 | 366.9 | 363.4 | 349.5 | 350.3 | 359.4 |
| | O3 | 342.5 | 320.8 | 337.8 | 318.9 | 325.6 | 327.4 | 327.4 |
| | AVG | 346.0 | - | 361.0 | 345.9 | 341.0 | 337.1 | 346.9 |
| Heifers | U3 | 358.0 | 357.0 | 371.8 | 362.9 | 365.2 | 359.2 | 365.5 |
| | R3 | 352.5 | 344.4 | 366.8 | 351.4 | 358.2 | 350.5 | 358.2 |
| | R4 | 350.8 | 344.8 | 367.5 | 355.8 | 352.4 | 347.8 | 357.0 |
| | O3 | 344.8 | 329.0 | 351.6 | 324.5 | 333.1 | 332.1 | 336.0 |
| | AVG | 345.4 | - | 365.3 | 349.6 | 343.6 | 335.2 | 349.8 |
| Young Bulls | U3 | 350.5 | 334.9 | 359.8 | 341.2 | 344.8 | 351.1 | 347.4 |
| | R3 | 343.6 | 325.8 | 352.4 | 328.9 | 333.2 | 337.4 | 336.1 |
| | O3 | 327.5 | 312.7 | 307.5 | 298.6 | 305.4 | 315.5 | 304.5 |
| | AVG | 328.9 | - | 332.9 | 314.2 | 321.7 | 333.4 | 323.0 |
| Prime Cattle Price Reported | | 5431 | - | 6275 | 7026 | 6286 | 4030 | 23617 |
| Cows | O3 | 262.2 | 274.0 | 265.6 | 263.3 | 258.0 | 257.3 | 260.3 |
| | O4 | 264.2 | 276.8 | 268.2 | 265.7 | 260.7 | 256.4 | 262.0 |
| | P2 | 231.1 | 247.2 | 214.4 | 228.0 | 201.4 | 204.7 | 207.9 |
| | P3 | 246.7 | 268.6 | 222.2 | 247.0 | 224.7 | 227.9 | 230.0 |
| | AVG | 243.2 | - | 246.0 | 243.8 | 219.7 | 216.7 | 227.2 |

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.07p 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 15/04/17 | From | To | Avg | From | To | Avg |
| **Finished Cattle (p/kg)** | | | | | | |
| Steers | 200 | 212 | 206 | 172 | 199 | 185 |
| Friesians | 137 | 142 | 139 | 130 | 136 | 133 |
| Heifers | 204 | 223 | 213 | 170 | 195 | 185 |
| Beef Cows | 129 | 181 | 145 | 100 | 128 | 114 |
| Dairy Cows | 106 | 131 | 115 | 65 | 105 | 85 |
| **Store Cattle (p/kg)** | | | | | | |
| Bullocks up to 400kg | 220 | 269 | 245 | 190 | 219 | 208 |
| Bullocks 400kg - 500kg | 200 | 241 | 220 | 175 | 199 | 190 |
| Bullocks over 500kg | 200 | 230 | 215 | 170 | 199 | 185 |
| Heifers up to 450kg | 200 | 250 | 225 | 165 | 198 | 182 |
| Heifers over 450kg | 200 | 233 | 216 | 165 | 199 | 183 |
| **Dropped Calves (£/head)** | | | | | | |
| Continental Bulls | 250 | 470 | 310 | 140 | 248 | 190 |
| Continental Heifers | 200 | 350 | 275 | 100 | 198 | 155 |
| Friesian Bulls | 100 | 165 | 130 | 60 | 98 | 80 |
| Holstein Bulls | 70 | 145 | 105 | 15 | 68 | 45 |

# SHEEP TRADE

## SHEEP BASE QUOTES

| (P/Kg DW) | This Week 17/04/17 | Next Week 24/04/17 |
|---|---|---|
| Hoggets >22kg | 400-410p | 400-410p |
| Spring lambs >21kg | 450-460p | 450p |

## REPORTED SHEEP PRICES

| (P/KG) | W/E 01/04/17 | W/E 08/04/17 | W/E 15/04/17 |
|---|---|---|---|
| NI Hoggets L/W | 363.2 | 359.9 | 343.6 |
| NI Hoggets D/W | 400.8 | 406.5 | 398.5 |
| GB Hoggets D/W | 414.0 | 417.1 | 412.0 |
| ROI D/W | 418.5 | 424.1 | 418.2 |

## Deadweight Sheep Trade

THE deadweight hogget trade remained relatively in NI this week with quotes for R3 grade hoggets ranging from 400-410p/kg with plants paying up to 22kg. Meanwhile quotes for spring lambs ranged from 450-460p/kg up to 21kg. Similar quotes are expected for early next week. The plants have reported steady supplies of hoggets/lambs coming forward for slaughter to meet demand with throughput last week totalling 5,303 head. In the corresponding week last year a total of 3,827 hoggets/lambs were killed locally accounting for a 39 per cent increase year on year. Exports of sheep from NI to ROI for direct slaughter last week totalled 5,876 head, very similar to the 5,809 sheep exported to ROI during the same week in 2016. The average deadweight hogget price in NI last week was 398.5p/kg, back by 8p/kg from the previous week.

## This week's marts

MANY of the marts were closed this week due to the Easter holidays with some smaller sales taking place later in the week. In Rathfriland on Tuesday 140 hoggets sold from 320-381p/kg. In Ballymena on Wednesday 503 hoggets sold from 330-396p/kg to an average of 350p/kg compared to 1,060 hoggets last week selling from 330-383p/kg to an average of 345p/kg. In Armoy on Wednesday 125 hoggets sold from 335-395p/kg compared to 442 hoggets the previous week selling from 350-408p/kg. A small number of spring lambs passed through some of the marts this week with average reported prices ranging from 400-426p/kg. The ewe trade remained firm this week with a top reported price of £118 in Rathfriland on Tuesday.

## LATEST SHEEP MARTS

| From: 14/04/17 | | Hoggets (P/KG LW) | | | |
|---|---|---|---|---|---|
| To: 20/04/17 | | No | From | To | Avg |
| Tuesday | Rathfriland | 140 | 320 | 381 | - |
| Wednesday | Ballymena | 503 | 330 | 396 | 350 |
| | Markethill | 250 | 340 | 385 | - |
| | Armoy | 125 | 335 | 395 | 358 |

## LATEST SHEEP MARTS

| From: 14/04/17 | | Spring lambs (P/KG LW) | | | |
|---|---|---|---|---|---|
| To: 20/04/17 | | No | From | To | Avg |
| Tuesday | Rathfriland | 72 | 400 | 440 | 426 |
| Wednesday | Ballymena | 104 | 368 | 461 | 400 |
| | Markethill | 120 | 400 | 425 | - |

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