

EURO TRADING STRONGLY AGAINST STERLING

During 2017 to date the euro has been trading strongly against sterling with the exchange rate peaking this week at €1=£0.92 according to the European Central Bank (ECB). This is the highest recorded trading value of euro against sterling since October 2009.

As indicated in Figure 1 the value of the euro against sterling has steadily been improving since May this year and whilst a strong euro against sterling can increase input costs for UK producers, it does make NI and UK beef and lamb less expensive in euro terms which can make trading on the EU and wider global market much easier.

On a local level a stronger euro makes beef cattle imports from ROI

for direct slaughter more expensive with imports during 2017 to date running 19 per cent lower than the corresponding period in 2016. A stronger euro also makes locally produced lambs more attractive to processors in ROI with 215,942 sheep exported during 2017 to date.

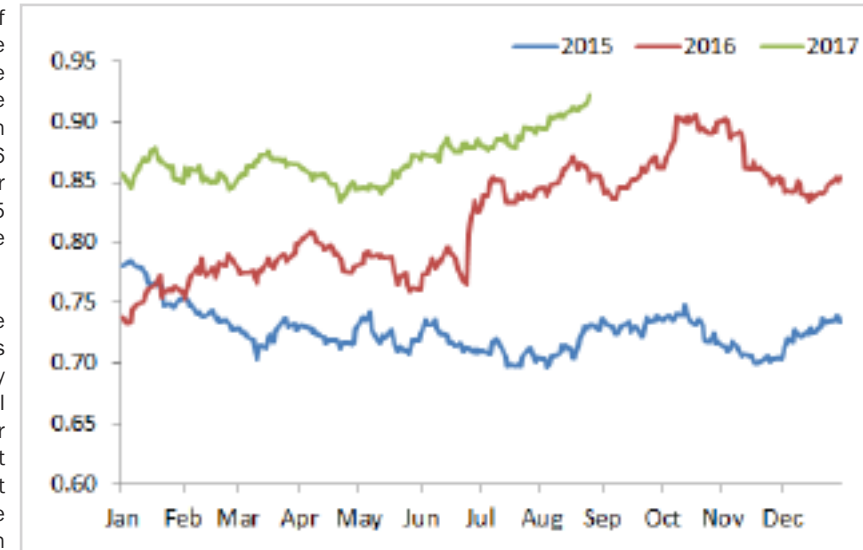
The strengthening of euro against sterling has brought the average exchange rate during 2017 to €1=£0.87. This is above the 2016 average exchange rate of €1=£0.82p and well above the 2015 average of €1=£0.73. If the exchange rate stays at current levels UK and NI producers will benefit from a relative increase in the value of their Single Farm Payments.

When calculating Single Farm Payments in currencies other than

the Euro the member state in question will calculate the value of the direct payment on the basis of the average exchange rate set by the European Central Bank during the month of September. The average exchange rate from the European Central Bank for September 2016 was £0.85228. This was a 16.5 per cent increase from September 2015 levels when the average exchange rate was €1= £0.73129.

Since the decision to leave the single market the UK government has committed to maintain farm subsidy levels (under the CAP) at least until the end of 2020 and honour commitments to agri-environment schemes but it is as yet unclear what format subsidy payments will take when the UK exits the Common Agricultural Policy.

Figure 1: Euro/Sterling exchange rate January 2015 to August 2017



CONSIDER FINISHING COSTS WHEN BUYING

STORE LAMBS

WITH peak trading underway in the marts over recent weeks, the numbers of lambs passing through the NI sale rings has gradually increased with a firm trade being reported for good quality lambs.

The average live weight lamb price in NI during the week ending 19 August 2017 was 408.7p/kg while in the corresponding week in 2016 the average live weight lamb price in NI was 387p/kg. This increase by 21.7p/kg gives an additional £4.55 for a 21 kg lamb year on year and accounts for a 6 per cent increase in the deadweight price.

With sales of store lambs expected to increase over the coming weeks it is important that buyers consider the economics of taking these stores through to slaughter. If grass supplies are limited then producers should opt for short keep store lambs and in cases where there are more plentiful grass supplies longer keep store lambs may be a viable option. With unsettled weather conditions in NI in recent weeks some producers may opt to house cattle earlier which will lead to surplus grass covers and provide suitable grazing for store lambs.

Provided that the lambs purchased are of good quality, store lambs on good quality grazing can be expected to gain 180-200g per day during early September. As the year progresses the performance of lambs at grass will ease back to 150-170g/day moving into October and down to 100g/day in late October and November.

It is important to take these growth rates into

account when purchasing store lambs and producers should consider supplementing lambs with meal where applicable to maintain performance and allow them to meet finishing targets. When calculating a finishing budget producers should also remember to factor in miscellaneous costs such as mortality, veterinary and transport costs.

Buyers should therefore try to purchase store lambs to suit their finishing system by focusing on the weight, price and quality of lambs on offer. Where possible store lambs should be bought in even batches as this should mean they all come fit for slaughter at a similar time.

Reports from some of the major processors have indicated an increase in the number of lambs with insufficient fat cover being

presented for slaughter in recent weeks. Meeting market specifications at point of slaughter will help maximise returns from finishing store lambs. The current specification from the major processors is for R grading lambs or better with a fat score of 2 or 3 and a carcass weight of 21kg. Processors also have a strong preference for lambs with FQ status with bonuses available in some plants while other plants will not handle non assured lambs.

The enhanced assurances on animal welfare, food safety, traceability and care for the environment provided by the Farm Quality Assurance Scheme allows the processors to service the high value retail and food service markets in the UK. For many of these customers FQAS status is a key requirement of their product specification.

LMC URGES PRODUCERS TO USE THE BVD PI REMOVAL SCHEME

LMC, in partnership with AHWNI, is delivering the BVD PI Removal Incentivisation scheme which targets the removal of BVD infected animals from NI farms. Farmers who may have an eligible calf will receive a claim form from AHWNI, which must be completed and returned to LMC. All details as to eligibility and how to claim will be included in the accompanying guidance and is also hosted on the LMC and AHWNI websites. The rate of financial assistance available is

- £160 for a beef calf
- £130 for a dairy heifer calf
- £50 for a dairy male calf

To date LMC has fully processed 943 claims with £103,800 distributed to eligible producers. To date 72 per cent of processed applications have been successful. The key reasons for unsuccessful claims have been where producers failed to remove the calf within the scheme timeframes and/or failure to register the death of the calf with DAERA within 7 days of the declared date of death. This is a statutory requirement.

FQAS MART CLINICS SEPTEMBER 2017

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 above. For further information call (028) 9263 3024.

LOCATION	DAY	DATE
Omagh	Monday	04/09/2017
Saintfield	Wednesday	06/09/2017
Markethill	Tuesday	12/09/2017
Enniskillen	Thursday	14/09/2017
Kilrea	Wednesday	20/09/2017
Ballymena	Friday	22/09/2017



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
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 21/08/17	Next Week 28/08/17
Prime		
U-3	352 - 360p	348 - 358p
R-3	346 - 354p	342 - 352p
O+3	340 - 348p	336 - 346p
P+3	288 - 310p	284 - 308p
Including bonus where applicable		
Cows		
O+3 & better	260 - 274p	270 - 280p
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 19/08/17	Steers	Heifers	Young Bulls
U3	367.7	372.0	361.6
R3	363.9	366.9	360.4
O+3	356.2	354.8	351.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 19/08/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	187.0	199.1	210.0	233.5
P2	196.8	225.9	247.0	257.4
P3	214.9	238.4	261.5	266.1
O3	239.5	260.5	279.7	281.9
O4	-	250.0	278.2	285.9
R3	-	-	310.0	300.2

Deadweight Cattle Trade

QUOTES from the major processing plants this week for U-3 grade prime cattle ranged from 352-360p/kg with the majority of plants quoting from 356-358p/kg. Quotes for early next week have held steady in most plants while one plant has reduced its base quotes to 348-350p/kg. The trade for cows held steady this week with quotes for O+3 cows ranging from 260-274p/kg across the plants. Quotes for early next week are expected to range from 270-280p/kg.

The plants have reported good numbers of all types of cattle coming forward for slaughter with some plants fully booked for next week. Prime cattle throughput in local plants last week was similar to previous weeks at 5,592 head and just above the 5,457 prime cattle killed locally in the corresponding week last year. Cow throughput has also remained steady with 1,738 cows killed in local plants last week.

The deadweight cattle trade in NI came under slight pressure last week in response to a decline in base quotes from the plants. The average steer price was back by 2.2p/kg to 359.4p/kg while the R3 steer price was back by 1.8p/kg to 368.6p/kg. Meanwhile the average heifer price in NI last week increased by half a penny to 360.6p/kg with the R3 heifer price back by a penny to 368.5p/kg. The young bull trade has also come under pressure in NI with the average price back 3.9p/kg to 349.8p/kg.

In GB last week the average steer price was back marginally to 370.1p/kg while the R3 steer price was back by less than a penny to 381.3p/kg. There was some variance across the regions with the R3 steer price back in region of 2p/kg in Scotland and the Midlands while it recorded an increase of 1p/kg in Northern England and 2.4p/kg in Southern England. The average heifer price in GB last week was back 0.7p/kg to 373.4p/kg while the R3 heifer price was up by 1.2p/kg to 381.8p/kg. As with the steers there was some variance in the trade across the regions with the R3 heifer price increasing in Scotland and the Midlands and declining in the other regions.

The differential in R3 steer prices between NI and GB last week was 12.7p/kg or £44 on a 350kg carcass while the differential in R3 heifer prices was 13.3p/kg which is the equivalent of £47 on a 350kg carcass. This is the widest the differential between the two regions has been since early November 2016 for both steers and heifers.

The deadweight trade for prime cattle has continued to come under pressure in ROI with prices generally back between 4c/kg and 8c/kg for price reported grades. A firming in the euro against sterling has meant the R3 steer price was back the equivalent of 2.9p/kg to 348.6p/kg last week while the R3 heifer price was back by 5.2p/kg to 355.9p/kg. This puts the R3 steer price in ROI 20p/kg lower than the equivalent price in NI which equates to £70 on a 350kg carcass. Meanwhile the differential in R3 heifer prices is 12.6p/kg or £44 on a 350kg carcass.

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

W/E 19/08/2017	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	368.8	358.6	396.5	377.3	376.7	383.3
	R3	368.6	348.6	394.2	374.6	375.0	381.3
	R4	366.8	348.7	396.9	381.5	372.6	383.8
	O3	359.9	331.0	366.3	346.2	342.2	349.6
	AVG	359.4	-	391.1	366.1	358.7	363.2
Heifers	U3	372.5	370.3	401.9	382.6	388.3	390.4
	R3	368.5	355.9	397.6	370.2	378.0	381.8
	R4	367.2	357.2	396.6	375.8	376.2	381.6
	O3	358.7	342.7	382.3	353.2	351.3	353.6
	AVG	360.6	-	394.5	369.4	364.6	362.7
Young Bulls	U3	361.7	357.6	383.4	368.1	368.1	372.1
	R3	359.6	347.2	379.6	362.5	363.5	367.3
	O3	346.3	329.2	341.1	325.6	324.0	333.1
	AVG	349.8	-	369.8	354.4	349.3	355.0
Prime Cattle Price Reported		4759	-	6546	6467	6364	4354
Cows	O3	281.0	289.3	291.7	279.7	285.3	284.7
	O4	285.4	290.3	291.2	281.1	285.5	284.1
	P2	244.8	261.9	252.4	243.2	236.5	239.4
	P3	262.5	281.5	261.0	260.3	247.7	255.8
	AVG	262.0	-	276.1	259.2	245.6	251.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=91.03p 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 LIVELWEIGHT CATTLE MART PRICES NI

W/E 19/08/17	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	205	235	214	170	204	187
Friesians	150	160	156	140	148	144
Heifers	213	230	219	170	211	190
Beef Cows	142	222	152	115	141	130
Dairy Cows	114	134	118	70	113	90
Store Cattle (p/kg)						
Bullocks up to 400kg	225	263	245	200	224	212
Bullocks 400kg - 500kg	210	244	225	185	209	198
Bullocks over 500kg	200	227	212	175	199	188
Heifers up to 450kg	212	250	230	175	210	192
Heifers over 450kg	210	233	218	165	209	187
Dropped Calves (£/head)						
Continental Bulls	300	390	345	200	298	250
Continental Heifers	250	390	300	150	248	190
Friesian Bulls	145	215	180	75	142	105
Holstein Bulls	100	200	135	25	98	65

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 21/08/17	Next Week 28/08/17
Lambs >21kg	410-415p	400-405p

REPORTED SHEEP PRICES

(P/KG)	W/E 05/08/17	W/E 12/08/17	W/E 19/08/17
NI Lambs L/W	365.1	371.8	369.2
NI Lambs D/W	399.0	402.9	408.7
GB Lambs D/W	440.6	442.1	436.7
ROI D/W	422.4	428.0	437.2

Deadweight Sheep Trade

QUOTES from the plants towards the end of this week for R3 grading lambs ranged from 400-405p/kg up to 21kg with similar quotes expected for early next week. The plants have reported good demand from customers for lamb in recent weeks. There has also been a strong supply of lambs coming forward for slaughter with 12,156 lambs killed locally last week. This was an increase of 2,878 lambs from the previous week and is the highest weekly throughput for the year to date. A total of 6,794 lambs were exported from NI for direct slaughter in ROI plants last week. The average deadweight lamb price in NI last week was 408.7p/kg, up 5.8p/kg from the previous week.

This week's marts

A steady demand for good quality lambs was reported across the marts this week with good numbers passing through many of the sale rings however the trade was generally back from previous weeks. In Kilrea on Monday 440 lambs sold from 361-382p/kg compared to 620 lambs last week selling from 369-400p/kg. In Saintfield this week 1,002 lambs sold from 350-390p/kg compared to 866 lambs last week selling from 373-416p/kg. In Ballymena this week 2,340 lambs sold from 330-400p/kg (avg 350p/kg) compared to 2,341 lambs last week selling from 360-406p/kg (avg 379p/kg). In Armoy this week 512 lambs sold from 340-400p/kg compared to 624 lambs last week selling from 365-415p/kg. Good numbers of cull ewes passed through the sale rings this week with a firm trade for well fleshed lots. Top reported prices were in excess of £100 in several of the marts with a top reported price of £118 in Omagh last Saturday.

LATEST SHEEP MARTS

From: 18/08/17		Lambs (P/KG LW)			
To: 24/08/17		No	From	To	Avg
Friday	Newtownstewart	672	350	395	-
Saturday	Omagh	1534	376	437	-
	Swatragh	1400	380	497	-
Monday	Kilrea	440	361	382	-
	Massereene	1712	355	386	-
Tuesday	Saintfield	1002	350	390	-
	Rathfriland	1154	335	390	359
Wednesday	Ballymena	2340	330	400	350
	Enniskillen	620	365	382	-
	Markethill	950	350	382	-
	Armoy	512	340	400	-

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