

SIGNIFICANT DEDUCTIONS FOR P GRADING CATTLE

ANALYSIS of price reporting data has indicated that there has been a slight increase in the proportion of P grading cattle in the NI slaughter mix during the 12 week period ending 23 July 2017 when compared to the same period in 2016.

As outlined in Table 1 11 per cent of price reported steers achieved a P grade during the 2017 period, an increase of 1.6 percentage points from the corresponding period in 2016. Several factors may have contributed to this trend including an increase in the influence of dairy genetics on the NI prime cattle kill.

During the 12 weeks ending 23 July 2017 40 per cent of price reported steers were sourced from the dairy herd. Dairy sired steers accounted for 16 per cent of the total steer kill in the 2017 period while the other 24 per cent

of the total steer kill were beef sired steers from the dairy herd. In the same period in 2016 38 per cent of price reported steers were sourced from the dairy herd. Dairy sired steers accounted for 15 per cent of all price reported steer slaughterings while a further 23 per cent of the steer kill were beef sired from the dairy herd.

There has been a decline in the average carcass weight of price reported steers from 353kg in the 2016 period to 349kg in the 2017 period. Recent work in AFBI has indicated that there is a direct link between carcass weight and grade so this 4kg decline year on year may also have contributed to the increase in the proportion of P grading cattle in the NI cattle kill.

The largest majority of P grading steers slaughtered in local plants are of dairy origin and while the grade achieved by

a steer at point of slaughter is largely influenced by the individual animal's genetic potential there are also environmental factors that play a key role. Making slight adjustments to the production systems at farm level in terms of grassland management, animal health programmes and the level of concentrate utilisation can all help improve the conformation scores at point of slaughter.

During the 12 week period ending 23 July 2015 the average price paid for an O-3 grade steer in NI was 342.7p/kg while the average price paid for a P+3 grade steer, one sub class lower in terms of conformation, was 321p/kg. This 21.7p/kg deduction is the equivalent of £67 on a 310kg steer carcass. Slight changes in production practices at farm level could help move carcasses up one sub class for conformation from a P+ to an O- grade

Table 1: NI steer kill by conformation score during 12 week period ending 23 June 2017 and the same period in 2016

Kill Year	E	U	R	O	P
2016	0.4%	19.3%	39.3%	31.7%	9.4%
2017	0.3%	18.4%	35.6%	34.7%	11.0%

and thereby add value to the system.

The significant reductions in value across the major plants for P grading carcasses is due to the lower meat yield from these carcasses which reduces their end value. In addition these carcasses fail to meet the specification requirements of many major retail and foodservice customers. As a result the cuts generated from P grading carcasses are used to fulfil lower value contracts, with a large proportion of the P grading carcass used for mince production.

It is therefore to the benefit of both the

producer and the processor to improve the conformation scores of these prime cattle at point of slaughter. Improving conformation will maximise returns for the producer while opening higher value market outlets for the processors.

Producers should consider the economics of making changes to production systems and maximise the returns to their individual farm business. For further information and advice on making changes to production systems producers should consult with their local CAFRE advisor.

DEADWEIGHT LAMB PRICES COMING UNDER PRESSURE

QUOTES from the major NI processors for R3 grading lambs have come under some pressure with quotes towards the end of this week of 395-400p/kg up to 21kg. Similar base quotes are expected for early next week.

The market however remains firmer than this time last year when quotes from the plants for R3 grade lambs were in the region of 365-370p/kg up to 21kg. Figure 1 displays deadweight hogget/lamb prices for the period January 2016- July 2017. The deadweight lamb trade usually comes under some pressure at this time of the year as the number of lambs becoming available for slaughter increases.

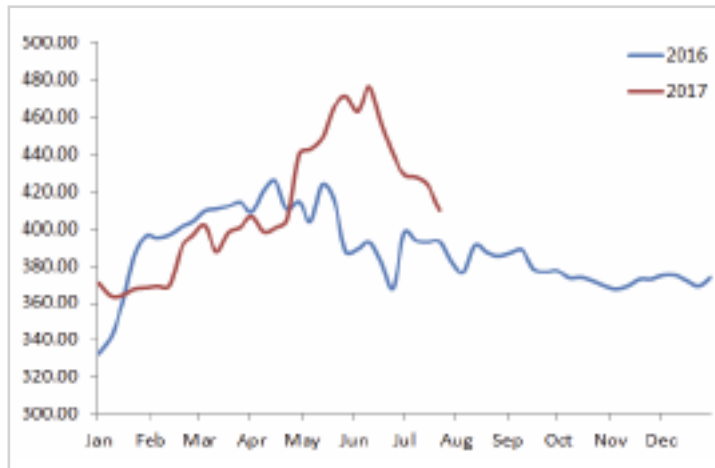
There were 11,011 lambs killed in local plants last week, the highest weekly throughput for 2017 to date. This was a similar throughput to the corresponding week in 2016 when 11,219 lambs were killed locally. Average lamb carcass weights have also remained similar year on year in NI plants with an average carcass weight last week of 20.6kg.

The seasonality of lamb production in NI makes it difficult to balance supply and demand and in times of peak production there will inevitably

be pressure on deadweight prices. Producers are encouraged to liaise with the processors and shop around to ensure they get the best possible deal for their lambs.

It is also important however that producers aim to produce lamb within current market specifications as this will help maximise returns to their farm business. The processors currently want R and U grading lambs under 21kg with a fat class of 2 or 3. There is also a strong preference for Farm Quality Assured lambs across the plants. Lambs that meet these requirements can be

Figure 1: Average deadweight lamb/hogget prices in NI from January 2016 to July 2017



used to fulfil orders from higher value retail and export customers.

ROI continues to act as an important outlet for the NI sheep sector with almost 8,000 sheep exported from NI to ROI last week for direct slaughter. The euro is currently trading strongly against sterling which has increased competition from ROI processors for NI origin lambs. In addition the weakening in sterling against euro has made NI lambs much more competitive on key EU markets which has helped keep deadweight prices this year firmer than previous years.

VALUE AND VOLUME GROWTH IN RED MEAT SALES

ACCORDING to the latest available data from Kantar total red meat sales in NI during the 12 week period ending 18 June 2017 were valued at £32.9 million, a 13.2 per cent increase from the corresponding period in 2016 when red meat sales were valued at £29.1 million.

It should however be noted that Easter fell within the 12 week reporting period in 2017 but was not included in the corresponding period in 2016. This will have been a key factor behind the notable increases in the value and volume of red meat sales in NI year on year. This is particularly true for lamb which there is a surge in demand for during the Easter period. Red meat sales will also have benefitted from BBQ weather during May and early June.

Beef sales were valued at £27.4 million and accounted for 83 per cent of total red meat sales in NI in terms of value during the 2017 period. This was a 9.5 per cent increase in value from £25 million in the same period last year however a decline in total market share which was 86 per cent during the 2016 period.

The volume of retail beef sales in NI during the 12 weeks ending 18 June 2017 totalled 3,674 tonnes, an 8.2 per cent increase from the corresponding period in 2016 when they totalled 3,395 tonnes. Volume sales were also notably higher than the same period in 2015 when they totalled 3,338 tonnes.

Market penetration has recorded an increase for beef with 87.6 per cent of NI households buying beef during the 12 week period ending 18 June 2017. This was an increase from 83.8 per cent during the same period in 2016. The average retail price of beef was £7.47/kg during the 2017 period. This was 10p/kg higher than the same period in 2016 however was just below 2015 levels when the average price was £7.49/kg.

The latest data from Kantar has indicated that the average spend per buyer on beef has recorded an increase year on year. The average spend increased from £40.70 in the 12 weeks ending 19 June 2016 to £42.50 in the 12 weeks ending 18 June 2017. This increase in spend per buyer combined with the increase in penetration have driven the increase in the value of beef sales.

Lamb sales in NI were valued at £5.5 million during the 12 weeks ending 18 June 2017, a notable 11.6 per cent increase in value terms from 2016 levels. This increase in the value of lamb sales was driven by a strong increase in the volume of lamb being purchased.

Household penetration for lamb has also increased to 38 per cent in the 2017 period while spend per buyer has also increased to £19.60. This increase in spend per buyer is driven by the increase in volume sales as the average price has declined by 36p/kg to £7.44/kg in the 2017 period.



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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 31/07/17	Next Week 07/08/17
Prime		
U-3	360 - 364p	360 - 362p
R-3	354 - 358p	354 - 356p
O+3	348 - 352p	348 - 350p
P+3	290 - 310p	290 - 308p
Including bonus where applicable		
Cows		
O+3 & better	260 - 280p	260 - 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 29/07/17	Steers	Heifers	Young Bulls
U3	371.4	376.2	366.6
R3	368.5	369.0	363.1
O+3	362.5	359.6	347.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 29/07/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	185.6	204.7	215.6	217.6
P2	203.9	223.7	250.4	260.9
P3	230.7	239.5	266.6	270.2
O3	-	259.8	281.1	288.2
O4	239.0	265.3	274.2	289.7
R3	-	-	-	304.3

Deadweight Cattle Trade

BASE quotes from the plants for U-3 grade prime cattle this week ranged from 360-364p/kg with the majority of plants quoting 360p/kg for steers and 362p/kg for heifers. The plants are quoting 360-362p/kg for Monday. Quotes for good quality O+3 grade cows ranged from 260-280p/kg this week with the majority of plants quoting in the region of 270p/kg.

The plants have reported steady supplies of cattle to meet demand for beef with throughput of prime cattle last week totalling 5,455 head. This was similar to the previous week and seven per cent higher than the 5,085 head killed during the same week last year. Throughput of prime cattle in the local plants during July totalled 21,359 head, an eight per cent increase from July 2016 levels when 19,723 prime cattle were killed in local plants. Cow throughput in NI last week also held steady at 1,873 head which brings cow throughput for July 2017 to 7,140 head. This is similar to the 7,347 cows killed in local plants during July 2016.

Prime cattle imports from ROI for direct slaughter last week totalled 222 head with 91 cows also imported. Imports from GB for direct slaughter consisted of 21 prime cattle and 119 cows. Meanwhile cattle exports from NI for direct slaughter in ROI last week included 85 prime cattle, 49 cows and 17 bulls. There were no cattle exported from NI to GB for direct slaughter.

The deadweight trade for prime cattle held relatively steady in NI last week. The average steer price last week was up by half a penny to 360.3p/kg while the R3 steer price increased by 1.3p/kg to 370.4p/kg. The average heifer price last week was up by 1.2p/kg to 362.5p/kg while the R3 heifer price increased by 1.7p/kg to 371.3p/kg. The U3 heifer price in NI last week was 376.9p/kg, up almost 4p/kg from the previous week. The young bull trade also firmed in NI last week with the average price up by 2.2p/kg to 351.3p/kg. The R3 young bull price was up by 1.2p/kg to 363.2p/kg while the U3 price was up by 1.4p/kg to 366.8p/kg.

The deadweight trade for prime cattle generally firmed in GB last week, although there was some variation across the regions. The average steer price was up by 1.4p/kg to 369.9p/kg last week while the R3 steer price was up by almost a penny to 379.2p/kg. The R3 steer price recorded increases in Scotland (+3.3p/kg), Northern England (+2.7p/kg) and the Midlands (+1.3p/kg) while it came under pressure in Southern England (-4.8p/kg). The average heifer price in GB last week was 372.8p/kg, up almost a penny from the previous week while the R3 heifer price was almost unchanged at 379.9p/kg. The R3 heifer price recorded declines in Scotland (-1.2p/kg) and Southern England (-4.1p/kg) last week while it increased in Northern England (+1.7p/kg) and the Midlands (+2.8p/kg).

The trade has come under some pressure in ROI although a weaker sterling against the euro has meant prices were up in sterling terms last week. The R3 steer price was up 1.5p/kg to 356p/kg while the R3 heifer price was up 1.7p/kg to 365.2p/kg.

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

W/E 29/07/2017	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	371.9	365.2	394.3	377.9	378.1	382.5
	R3	370.4	356.0	393.7	371.6	373.8	379.2
	R4	368.2	356.3	393.4	386.1	373.5	384.9
	O3	360.7	339.9	376.3	343.3	345.0	353.6
	AVG	360.3	-	388.7	367.0	359.5	369.9
Heifers	U3	376.9	377.0	401.2	380.8	394.2	391.1
	R3	371.3	365.2	393.7	370.8	377.5	379.9
	R4	370.3	365.2	394.3	380.2	377.3	381.9
	O3	359.6	350.3	381.8	343.6	349.6	358.9
	AVG	362.5	-	391.5	370.8	364.3	372.8
Young Bulls	U3	366.8	361.9	385.2	364.2	369.6	372.0
	R3	363.2	352.5	380.5	352.9	362.7	364.8
	O3	340.1	335.0	333.4	320.0	326.0	326.1
	AVG	351.3	-	372.6	348.0	354.7	356.7
Prime Cattle Price Reported		4680	-	6637	7143	6725	24638
Cows	O3	286.8	289.4	293.1	275.4	279.8	280.7
	O4	288.5	290.0	294.3	279.0	282.7	282.3
	P2	248.0	264.9	241.0	231.1	233.8	237.0
	P3	267.7	283.5	259.3	250.6	249.0	251.9
	AVG	269.4	-	284.8	257.5	244.2	251.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.31p 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 29/07/17	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	200	234	213	170	196	185
Friesians	156	174	161	111	150	134
Heifers	206	226	213	180	200	190
Beef Cows	153	177	158	123	152	138
Dairy Cows	124	154	133	80	123	100
Store Cattle (p/kg)						
Bullocks up to 400kg	226	266	240	195	225	212
Bullocks 400kg - 500kg	212	246	225	190	211	200
Bullocks over 500kg	200	222	212	178	199	190
Heifers up to 450kg	220	267	235	170	219	195
Heifers over 450kg	200	221	212	170	199	185
Dropped Calves (£/head)						
Continental Bulls	300	400	350	200	298	250
Continental Heifers	230	330	280	130	228	180
Friesian Bulls	170	245	195	100	168	135
Holstein Bulls	100	200	145	40	98	70

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 31/07/17	Next Week 07/08/17
Lambs >21kg	400-405p	395-400p

REPORTED SHEEP PRICES

(P/KG)	W/E 15/07/17	W/E 22/07/17	W/E 29/07/17
NI Lambs L/W	403.2	386.9	364.2
NI Lambs D/W	427.4	423.0	409.7
GB Lambs D/W	466.2	466.5	452.7
ROI D/W	458.2	446.9	434.2

Deadweight Sheep Trade

THE deadweight trade for lambs has come under some pressure in NI with quotes from the plants back to 395-400p/kg up to 21kg towards the end of the week. Similar quotes are expected for early next week. Throughput has continued to increase in local plants in line with normal seasonal trends with 11,011 lambs killed in NI last week. A further 7,887 sheep were exported from NI to ROI for direct slaughter which takes total exports for July to 28,339 head. In the same period last year 26,120 sheep were exported to ROI. The deadweight lamb price in NI last week was 409.7p/kg, back 13.3p/kg from the previous week which is the equivalent of £2.80 on a 21kg lamb. In ROI last week the deadweight lamb price was the equivalent of 434.2p/kg, back by 12.7p/kg from the previous week.

This week's marts

GOOD numbers of lambs passed through many of the marts this week as supplies start to increase with a mixed trade across the marts for the lambs on offer. In Kilrea on Monday 500 lambs sold from 354-369p/kg compared to 540 lambs last week selling from 364-378p/kg. In Saintfield this week 901 lambs sold from 350-389p/kg compared to 672 lambs last week selling from 360-390p/kg. In Rathfriland this week a slightly firmer trade saw a smaller entry of 732 lambs selling to an average of 365p/kg compared to 1,035 lambs last week selling to an average of 359p/kg. In Ballymena this week 1,706 lambs sold to an average of 363p/kg compared to 1,407 lambs last week selling to an average of 360p/kg. A large entry of 1,144 lambs in Armoyn this week sold from 340-384p/kg compared to 512 lambs last week selling from 345-385p/kg.

LATEST SHEEP MARTS

From: 28/07/17		Lambs (P/KG LW)			
To: 03/08/17		No	From	To	Avg
Friday	Newtownstewart	376	350	378	-
Saturday	Omagh	1112	369	393	-
	Swatragh	1100	380	444	-
Monday	Kilrea	500	354	369	-
	Massereene	998	365	390	-
Tuesday	Saintfield	901	350	389	-
	Rathfriland	732	350	389	365
Wednesday	Ballymena	1706	350	390	363
	Markethill	1350	350	391	-
	Armoyn	1144	340	384	-

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LMC CO-ORDINATES PAN-INDUSTRY RESPONSE TO BREXIT

BREXIT represents the greatest challenge – and opportunity – for Northern Ireland’s red meat industry, according to LMC Industry Development Manager Colin Smith. “Policy makers must recognise the critical nature of every decision during this pivotal period. With agriculture policy repatriated to the UK, the government has the opportunity to develop its very own strategy to determine how food is produced in the UK.”

“The UK government must embrace this fundamental responsibility in the recognition that agriculture and trade policies are synergistic and must be part of a long term strategy that guarantees a secure and affordable source of high quality safe food produced to economically, environmentally and socially sustainable standards.”

He added: “Well considered policies will help to support a sector that contributes sales of over £1bn annually in Northern Ireland alone. Government must not allow the sector to be undermined as part of a wider trade deal or be decimated due to a short term political desire to implement a cheap food policy at any cost. But Brexit also presents an opportunity to write new policies that strengthen the UK’s resilience to any future threat to food security.”

Given this backdrop, the LMC has co-ordinated a pan-industry response to Brexit, involving the active input of representatives from the Commission, Ulster Farmers’ Union (UFU) and the Northern Ireland Meat Exporters Association (NIMEA). The key policy priorities agreed for the beef and sheep sectors in Northern Ireland are outlined in Table 1.

Table1: Policy Priorities

	Table1: Policy Priorities
1	The development of a new 25 year UK Food Strategy designed to steer long-term policy in the complementary fields of Agriculture, Trade and Food Resilience.
2	The establishment of an ambitious agriculture policy for the UK with food support measures that deliver public goods including food security, environmental protection and animal welfare.
3	Recognition by Westminster that productive agriculture and environmental protection are inextricably linked.
4	The securing of a trade agreement that secures a tariff-free and frictionless access to EU markets and interim arrangements that maintain the status quo until an agreement is reached.
5	The development of agriculture and trade policies that are complementary and that recognise beef and lamb as sensitive products rather than objects of leverage in trade negotiations.
6	Securing a commitment from the UK government to the effect that production and processing standards have full EU equivalence. This will ensure ongoing uninterrupted access to export markets.
7	The maintenance of trade protection measures that reflect the UK’s higher cost of social, animal welfare and environmental policy, while maintaining the competitive position of the industry.
8	The establishment of a trading solution that recognises the unique issue of the Irish border and minimises disruption to trade.
9	The development of migration policies that deliver support for employers, who need adequate supply of labour.

NI BEEF SECTOR TO TRADE WITH BSE NEGLIGIBLE RISK STATUS

LIVESTOCK and meat Commission (LMC) chief executive Ian Stevenson has welcomed the news that Northern Ireland's beef industry can now trade with fully accredited attainment of BSE Negligible Risk (NR) Status. The new circumstances were recognised by the World Organisation for Animal Health (OIE) in May 2017 and formally endorsed by the European Union on 27 July 2017. This now allows local exporters to take full advantage of the new trading opportunities on offer.

"The development will bring with it a number of benefits for both meat processors and livestock farmers in Northern Ireland," said Stevenson. "In the first instance, the amount of specified risk material that must be disposed of by processors will be reduced. This is a saving in its own right. However, the additional volumes of meat that can now be sold commercially from each beef carcass will add directly to the return received per finished animal."

Looking ahead, the LMC representative said that the OIE and EU Commission decisions should have positive implications for Northern Ireland's beef industry on

export markets, adding: "It should allow processors to put more beef into those countries they are currently servicing. For example, the 30-month age restriction where beef is concerned. "But the fact that we now have secured the safest BSE status should make the attainment of new export markets for beef more achievable."

Stevenson said that local beef processors are currently targeting a range of countries, including China. "The OIE's decision will significantly improve the reputation of beef produced in Northern Ireland. And this is a very important factor when it comes to doing business in countries like China

and the United States, where there is a significant demand for manufacturing beef."

Stevenson also confirmed that LMC paid the fee that accompanied the submission to OIE, requesting BSE Negligible Status for Northern Ireland. "A joint application was submitted on behalf of Northern Ireland and Scotland. Our portion of the accompanying fee amounted to £4,500.

"It was a charge that we were more than happy to meet. But more than that, LMC staff played a key role in developing the business case for the overall submission that was presented to the OIE on behalf of the local beef industry."

Image 1: LMC has welcomed the news that the NI beef industry can now trade with BSE Negligible Risk (NR) Status.



IAN STEVENSON HIGHLY COMMENDED AT THE 2017 MEAT MANAGEMENT INDUSTRY AWARDS



THIS year's Meat Management Industry Awards saw LMC Chief Executive Ian Stevenson nominated in the 'Excellence Award' category. LMC's Chairman Gerard McGivern

has commended Ian on his nomination. "The nomination of Ian Stevenson for the Excellence Award is a fitting tribute to Ian's extensive experience and years' of dedication to supporting and enhancing Northern Ireland's agricultural and red meat industries.

It is also a true testament to the valuable role which Ian and his skilled team at the Livestock and Meat Commission continue to play in promoting the Northern Ireland red meat and livestock industry in the United Kingdom and throughout Europe.

Much of what LMC does in support of the sector remains out of the spotlight and local industry can take comfort in the fact that the record of one of its industry leaders has been recognised on the UK stage. It is also fitting that the nomination should occur in this the 25th year of the Northern Ireland Beef and Lamb Farm Quality Assurance scheme."

LMC PLAYS AN INTEGRAL PART IN FARM SAFETY WEEK ACTIVITIES

As part of its commitment to the recent Farm Safety Week, the LMC texted all 9,000 Farm Quality Assurance Scheme (FQAS) registered farmers in Northern Ireland, reminding them of the need to be extra vigilant with children on the farm over the school holiday period.



"We are actively involved with the Northern Ireland Farm Safety Partnership," confirmed FQAS Manager Daryl McLaughlin. "The Commission fully supports the work of the Farm Safety Partnership in helping to make our farms safer places to live and work on. And young people are particularly vulnerable in this regard."

He added: "Hundreds of high vis vests were given out by Commission staff to family groups attending our stand at this year's Balmoral Show, again as part of our commitment to make local farms safer places for children. Farm accidents are not inevitable: they are avoidable. A single accident is one too many. LMC is totally committed to playing an active role in making farmers fully aware of the need to think safe at all times."

"The Farm Quality Assurance Scheme provides Commission staff with a continuous communication channel with farmers the length and breadth of Northern Ireland. In this context alone every effort is taken to promote the attainment of the highest possible health and safety standards within every farm business. This activity is fully backed up with the health and safety promotional work undertaken at events, such as Balmoral Show and the recent Sheep NI event.



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