LMC

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MORE HEAVY CATTLE KILLED IN JULY 2017

A key requirement of many retail and food service beef contracts is for cuts of beef from steer and heifer carcases between 280-380kg. Carcases within this weight range provide high quality cuts which are the correct weight, suit pack sizes and meet price points identified by the individual retailer/food service agent.

Please note that premium schemes currently exist for Aberdeen Angus, Hereford and Organic cattle and these cattle have been omitted from this analysis.

During July 2017 64.1 per cent of price reported steers and heifers in NI had carcases within this desired weight range as outlined in Figure 1. This was a 1.8 percentage point decline from July 2016 levels when 65.9 per cent of steer and heifer carcases fulfilled the 280-380kg weight specification.

A notable proportion of price reported steer and heifer carcases continue to be over the 380kg mark with 18.1 per cent of carcases weighing between 380-420kg during July 2017. This was back by half a percentage point from July 2016 levels when 18.6 per cent of steer and heifer carcases were in this weight range. Meanwhile a further 5.9 per cent of steer and heifer carcases were over 420kg in July 2017, up from 5.3 per cent in July 2016.

As indicated in Figure 1 there is also a proportion of steer and heifers killed in NI that produce carcases below the 280kg mark. In July 2017 6.3 per cent of carcases were within the 260-280kg weight range with a further 5.5 per cent under 260kg. There has been an increase in the proportion of carcases in both weight categories when compared to July 2016 levels when 5.5 per cent of steer and heifer carcases were between 260-280kg and a further 4.7 per cent of carcases were below the 260kg mark.

While the processors can utilise prime cattle carcases outside the desired 280-380kg weight range there is a much more limited range of market outlets for the beef from these carcases. Producers should therefore be encouraged to produce carcases within the 280-380kg weight range as these fulfil the specification of the largest range of retail and food service orders.

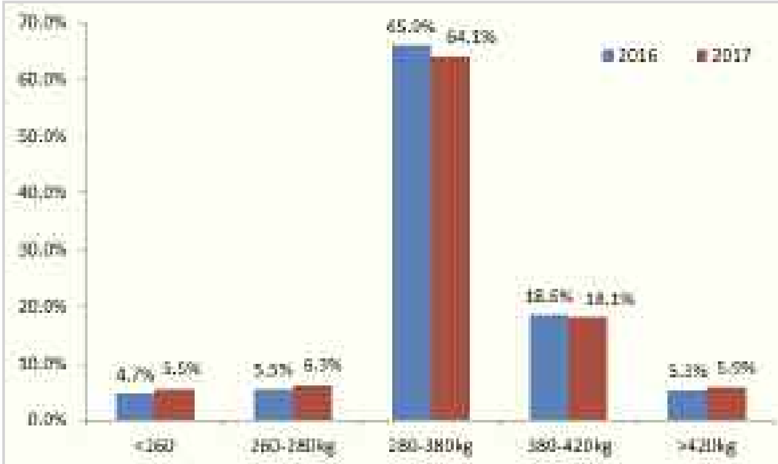
During July 2017 the average price paid for under 30 month R3 steers and heifers with a carcase weight of 280-380kg was 368.6p/kg. Meanwhile the price paid for under 30 month R3 steers and heifers with a carcase weight of 380-420kg was 1.1p/kg higher at 369.7p/kg. For R3 grade steer and heifer carcases over the 420kg mark (but otherwise in spec) an average penalty of 6.1p/kg was applied by the major processors during July 2017.

Meanwhile the average price paid for steer and heifer carcases in the 260-280kg price range was 4.8p/kg lower than the in spec price at 363.8p/kg during July 2017 while the price paid for steer and heifer carcases under 260kg but otherwise in spec was 15.4p/kg lower than the in spec price at 353.2p/kg.

Producers are encouraged to liaise with the procurement staff of the relevant processors prior to finishing cattle to ensure they are producing the type of cattle that the market requires. It is equally important however that processors give the correct market signals back to producers to encourage an increase in the proportion of carcases that meet the current 280-380kg weight specifications.

All of the major NI meat processors are currently hosting 'Walk the Line' processing plant visits in conjunction with LMC, NIMEA and the UFU which provide producers with the opportunity to discuss the importance of meeting current market specifications for both beef and lamb. To book your place or for more information on a visit please contact LMC on 028 9263 3000.

Figure 1: Proportion of price reported prime cattle by weight category July 2016 and July 2017 (Excluding AA, HER and Organic cattle)



NI BEEF INDUSTRY KEY PERFORMANCE INDICATORS (JULY SNAPSHOT)

Table 1: NI Beef Industry Key Performance Indicators (July Snapshot)

	Jul-16	Jul-17	% Change
Finished Cattle Prices (p/kg)			
Average Prime Cattle Price	320.8	359.7	12.1%
Average Cow Price	229.0	267.9	17.0%
Average R3 Steer Price (NI)	332.1	370.4	11.5%
Average R3 Steer Price (ROI)	321.5	353.6	10.0%
Average R3 Steer Price (GB)	343.2	378.5	10.3%
Slaughterings			
Total Clean Slaughterings (Head)	19,723	21,359	8.3%
Total Cow Slaughterings (Head)	7,347	7,140	-2.8%
Average Clean Carcase Weight (kg)	337	333	-1.2%
Average Cow Carcase Weight (kg)	307	301	-1.8%
Trade (Head)			
Live Imports for Direct Slaughter	824	1,277	55.0%
Live Exports for Direct Slaughter	1,015	562	-44.6%
Availability (Head)			
No. Cattle on the Ground*	456,130	476,679	4.5%
Beef Sired	415,809	439,309	5.7%
Dairy Sired (Male Only)	40,321	37,370	-7.3%
Calf Births Registrations (Head)			
Calf Births	32,019	33,649	5.1%
Beef Sired	28,235	29,881	5.8%
Dairy Sired (Male Only)	3,784	3,768	-0.4%
Euro / Stg Exchange Rate (€ / £)	84.1	88.6	5.4%

* Aged between 12-30 mths (Beef + Dairy Male Only)

All NI Figures Unless Otherwise Stated

THE deadweight trade for prime cattle in NI has remained relatively steady throughout summer 2017 to date with an average prime cattle price during July 2017 of 359.7p/kg. This is a 12.1 per cent increase from July 2016 levels when the average prime cattle beef price was 320.8p/kg as outlined in Table 1.

The R3 steer price in NI during July 2017 was 370.4p/kg, up from 332.1p/kg in July 2016. This increase by 38.3p/kg represents an 11.5 per cent increase year on year and is the equivalent of a £134 increase in the value of an R3 grading 350kg steer carcase.

In ROI the R3 steer price was the equivalent of 353.6p/kg during July 2017, a 10 per cent increase from 321.5p/kg during July 2016. Some of the increase in beef prices in ROI has been driven by a weaker sterling against euro. In euro terms the R3 steer price in ROI increased by 4.4 per cent between July 2016 and July 2017. The differential in R3 steer prices between ROI and NI widened from 10.6p/kg in July 2016 to 16.8p/kg in July 2017.

The R3 steer price in GB during July 2017 was 378.5p/kg, a 10.3 per cent increase from July 2016 levels. The differential between NI and GB narrowed from 11.1p/kg in July 2016 to 8.1p/kg in July 2017.

The average cow price in NI during July 2017 was 267.9p/kg, a 17 per cent increase from July 2016 levels when the average cow price was 229p/kg. A weaker sterling has made NI origin cow beef more competitive against ROI product and also made it easier for NI processors to access key EU markets for cow beef. These factors will both have contributed to the strong increase recorded in the NI cow price.

Prime cattle throughput in local plants totalled 21,359 head during July 2017, an 8.3 per cent increase from July 2016 levels. Some of this increase however has been offset by a 4kg decline in average carcase weights to 333kg.

Cow throughput in local plants totalled 7,140 head during July 2017, back 2.8 per cent from July 2016 levels. The effect of this decline on cow throughput was further increased by a 1.8 per cent decline in the average cow carcase weight year on year.

Imports for direct slaughter continue to account for a small proportion of cattle throughput in local plants with 1,277 cattle imported during July 2017. This was an increase of 453 head from July 2016 levels when 824 cattle were imported for direct slaughter.

The number of cattle for beef production on NI farms aged 12-30 months of age totalled 476,679 head in July 2017, a 4.5 per cent increase from July 2016 levels. This increase was driven by more beef sired cattle on NI farms in July 2017 (+5.7 per cent) while the number of dairy sired males on NI farms declined (-7.3 per cent).

Beef sired calf registrations have also remained strong with 29,881 calves registered during July 2017. This is a 5.8 per cent increase from July 2016 levels. Meanwhile the number of dairy sired male calves registered was back marginally to 3,768 head during July 2017.

As mentioned previously the euro has firmed against sterling year on year. In July 2016 €1 = 84.1p and this increased to €1 = 88.6p in July 2017. This accounts for a 5.4 per cent increase in the value of euro against sterling year on year.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 07/08/17	Next Week 14/08/17
Prime		
U-3	360 - 362p	358 - 362p
R-3	354 - 356p	352 - 356p
O+3	348 - 350p	346 - 350p
P+3	290 - 310p	288 - 310p
	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 05/08/17	Steers	Heifers	Young Bulls
U3	372.6	374.6	366.0
R3	369.0	368.4	364.5
O+3	362.5	361.7	353.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 05/08/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	186.6	204.6	219.9	228.1
P2	218.0	225.0	249.3	259.6
P3	232.7	245.3	264.2	269.7
O3	-	247.5	282.1	284.7
O4	-	250.0	276.9	288.5
R3	-	-	-	305.5

Deadweight Cattle Trade

BASE quotes from the major processing plants in NI held steady this week at 360-362p/kg for in spec U-3 grade steers and heifers. Quotes for good quality O+3 grade cows were also similar at 260-280p/kg. Quotes for Monday for U-3 steers and heifers range from 358-362p/kg while quotes for cows are unchanged at 260-280p/kg.

Prime cattle throughput in NI totalled 6,115 head last week which was an increase of 660 head from the previous week. Throughput was also notably higher than the corresponding week in 2016 when 5,155 prime cattle were killed in local plants. A total of 2,082 cows were killed in local plants last week which was the highest weekly throughput since early February this year. In the corresponding week in 2016 2,161 cows were killed in local plants.

Cattle imports from ROI for direct slaughter last week were similar to the previous week with 226 prime cattle and 93 cows imported. A further 9 prime cattle and 134 cows were imported from GB for direct slaughter. Meanwhile two prime cattle and 48 cows were exported from NI for direct slaughter in ROI plants last week while no cattle were exported to GB. The narrower price differential between NI and GB in recent months has discouraged exports for direct slaughter with just 241 prime cattle exported from NI to GB for direct slaughter in the last 12 weeks. This compares to 581 prime cattle exported during the same period in 2016.

The deadweight trade for prime cattle held steady in NI last week with the average steer price up 1.3p/kg to 361.6p/kg while the R3 steer price was up by a penny to 371.3p/kg. The average heifer price in NI last week was 363.5p/kg, up a penny from the previous week. Meanwhile the R3 heifer price in NI last week was back by a penny to 370.3p/kg. The young bull trade firmed last week with the average price up 4.9p/kg to 356.2p/kg while the R3 young bull price increased by 1.6p/kg to 364.8p/kg. The cow trade however has come under some pressure with the O3 cow price back by 2.8p/kg to 284p/kg.

The deadweight trade held firm in GB last week with the average steer price up marginally to 370.2p/kg while the R3 steer price was up by 2.9p/kg to 382.1p/kg. The R3 steer price increased in all of the GB regions with the exception of Northern England where it was back by a penny to 370.6p/kg. The differential in R3 steer prices between NI and GB last week was 10.8p/kg. The average heifer price in GB last week was up by 2.1p/kg to 374.9p/kg while the R3 heifer price was up by 1.6p/kg to 381.5p/kg. The R3 heifer price increased in Scotland, the Midlands and Southern England last week while it was back by 4p/kg in Northern England.

The deadweight cattle trade in ROI has come under some pressure with the R3 steer and heifer prices back by 4.5c/kg and 4.3c/kg respectively. However a strengthening in euro against sterling last week meant the decline in sterling terms was 2.2p/kg and 1.9p/kg for steers and heifers respectively.

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

W/E 05/08/2017		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	373.3	364.9	396.3	375.7	378.9	382.2	383.0
	R3	371.3	353.8	396.6	370.6	379.1	378.9	382.1
	R4	370.2	354.0	396.8	384.3	377.0	380.9	385.4
	O3	361.6	337.3	373.9	344.5	350.1	349.6	354.6
	AVG	361.6	-	391.4	363.8	363.2	360.9	370.2
Heifers	U3	375.8	375.2	401.0	381.4	388.2	385.5	389.6
	R3	370.3	363.3	396.3	366.8	379.2	377.8	381.5
	R4	369.5	362.5	395.6	377.0	382.8	377.0	383.6
	O3	363.0	348.4	387.6	346.2	353.7	348.6	359.9
	AVG	363.5	-	394.6	369.6	368.0	364.5	374.9
Young Bulls	U3	366.0	364.1	387.4	366.6	370.5	376.1	373.6
	R3	364.8	353.0	381.9	356.8	364.3	371.1	365.3
	O3	344.5	330.5	329.9	318.3	327.5	334.9	325.9
	AVG	356.2	-	374.9	346.4	349.6	362.5	355.3
Prime Cattle Price Reported		5292	-	6578	6895	6750	4293	24516
Cows	O3	284.0	290.7	291.6	277.8	283.5	285.1	283.0
	O4	287.8	291.5	292.5	276.8	281.9	288.7	282.7
	P2	248.7	266.7	243.0	229.0	238.2	248.0	238.9
	P3	266.9	284.2	259.3	251.0	250.5	268.2	254.5
	AVG	266.9	-	281.9	255.9	243.8	258.1	252.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.78p 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 05/08/17	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	210	235	218	180	217	195
Friesians	156	165	161	122	155	144
Heifers	200	222	207	178	198	188
Beef Cows	158	200	170	130	157	144
Dairy Cows	124	144	129	75	123	102
Store Cattle (p/kg)						
Bullocks up to 400kg	230	273	245	200	229	215
Bullocks 400kg - 500kg	210	243	226	190	209	200
Bullocks over 500kg	200	225	215	180	199	190
Heifers up to 450kg	215	254	232	170	214	195
Heifers over 450kg	200	214	210	170	199	185
Dropped Calves (£/head)						
Continental Bulls	325	455	370	225	322	270
Continental Heifers	220	320	270	125	218	175
Friesian Bulls	120	165	145	80	118	100
Holstein Bulls	80	145	115	5	78	50

SHEEP TRADE

SHEEP BASE QUOTES		
(P/Kg DW)	This Week 07/08/17	Next Week 14/08/17
Lambs >21kg	395-400p	400-410p

REPORTED SHEEP PRICES			
(P/KG)	W/E 22/07/17	W/E 29/07/17	W/E 05/08/17
NI Lambs L/W	386.9	364.2	365.1
NI Lambs D/W	423.0	409.7	399.0
GB Lambs D/W	466.5	452.7	440.6
ROI D/W	446.9	434.2	422.4

Deadweight Sheep Trade

QUOTES for R3 grading lambs started this week at 395-405p/kg up to 21kg however they firmed as the week progressed with some plants quoting 415p/kg towards the end of the week. Quotes for Monday range from 400-410p/kg up to 21kg. Supplies of lambs have increased with 11,379 lambs killed in local plants last week with 6,740 lambs exported to ROI for direct slaughter. A total of 2,019 ewes were also exported to ROI for direct slaughter last week, the highest level of export for the year to date. The deadweight lamb price in NI last week was 399p/kg, back 10.7p/kg from the previous week. Meanwhile in ROI the deadweight lamb price was back the equivalent of 11.8p/kg to 422.4p/kg. Lamb throughput in ROI plants held steady last week at 48,198 head.

This week's marts

GOOD numbers of lambs have continued to pass through the local marts with a steady demand for good quality lambs. In Omagh last Saturday 951 lambs sold from 381-435p/kg compared to 1,112 lambs the previous Saturday selling from 369-393p/kg. In Kilrea on Monday 375 lambs sold from 358-371p/kg compared to 500 lambs last week selling from 354-369p/kg. In Rathfriland this week a sharper trade saw 921 lambs selling to an average of 376p/kg compared to 732 lambs last week selling to an average of 365p/kg. A good entry of 1,270 lambs in Markethill on Wednesday sold from 360-409p/kg, an improved trade from the previous week when 1,350 lambs sold from 350-391p/kg. Steady numbers of cull ewes have also continued to pass through the sale rings with top reported prices of over £100 reported in several of the marts.

LATEST SHEEP MARTS					
From: 04/08/17		Lambs (P/KG LW)			
To: 10/08/17		No	From	To	Avg
Friday	Newtownstewart	425	376	396	-
Saturday	Omagh	951	381	435	-
	Swatragh	1250	335	417	-
Monday	Kilrea	375	358	371	-
	Massereene	1236	360	389	-
Tuesday	Saintfield	688	366	404	-
	Rathfriland	921	358	444	376
Wednesday	Ballymena	1751	350	389	367
	Enniskillen	813	370	398	-
	Markethill	1270	360	409	-
	Armoy	442	345	390	-

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