LMC
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# DEADWEIGHT LAMB PRICES IN NI REMAIN AHEAD OF 2017 LEVELS

LAST week lamb throughput in local plants totalled 6,005 head, a 16 per cent decrease from the 7,111 lambs killed during the previous week and well behind the 8,766 lambs killed in the corresponding week in 2017.

Lamb throughput in NI had shown some signs of increasing in recent weeks in line with normal seasonal trends before recording a notable decline last week as outlined in Figure 1. The lamb season in NI was relatively slow to start this year due to the late spring impacting grass growth and lamb performance. This poorer performance of lambs combined with many producers being busy with field work may also have contributed to the variability in supplies coming forward for slaughter in recent weeks. Some reports suggest however that the lamb crop in NI may not be as big this year and that this is also contributing to the lower availability of lambs for slaughter.

There has also been variability in the number of lambs being exported from NI to ROI for direct slaughter in recent weeks. Last week 3,533 lambs made the journey south, back from 4,012 lambs during the previous week. In the corresponding week last year 4,574 lambs made the journey from NI for direct slaughter in ROI.

ROI continues to act as an important outlet for the NI sheep sector with exports to the region for direct slaughter accounting for 37 per cent of total lamb output last week. In the same week last year exports to ROI accounted for 34 per cent of total lamb output from NI.

A steady demand for the lambs on offer from processors in both NI and ROI has helped to maintain the deadweight trade ahead of previous years. Quotes from the major NI processors towards the end of this week for R3 grading lambs ranged from 490-500p/kg with all plants paying up to 21kg. The deadweight lamb trade in NI has fluctuated in recent weeks as processors deal with the variability in the supply/demand balance.

The price reported R3 lamb price in NI last week was 471.4p/kg compared to 460.8p/kg in the corresponding week in 2017 and 390.9p/kg in the same week in 2016. This puts the value of a 21kg R3 grading lamb carcase in NI last week £2.22 higher than the same week in 2017 and £16.90 higher than the corresponding week in 2016.

Figure 1: Weekly lamb/hogget throughput in Northern Ireland 2016-2018

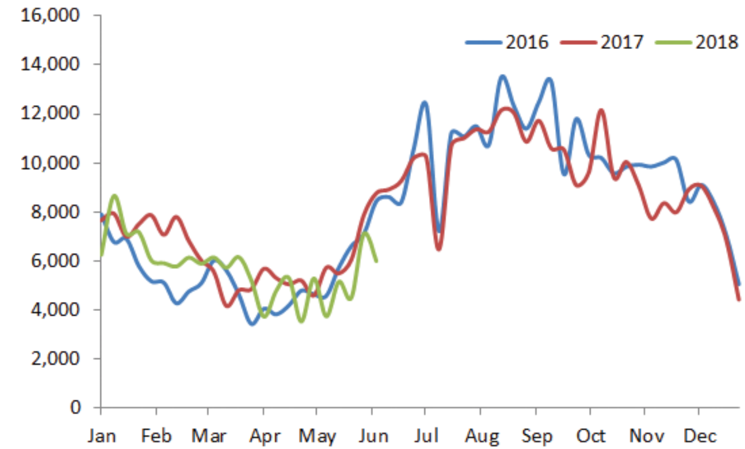



Image 1: Value of a 21kg R3 grading lamb carcase in NI during the w/e 09 June 2018 and the corresponding weeks in 2016 and 2017

# CHANGES TO THE NI BEEF SUPPLY BASE 2009-2017

ANALYSIS of price reporting statistics has identified that during 2017 there were 7,517 individual herds in NI which presented prime cattle (steers, heifers and young bulls) for slaughter in local price reporting plants. With 278,256 prime cattle price reported in NI during 2017 this puts the average number of prime cattle finished per presenting herd at 37 head.

This was an increase by almost two cattle from 2016 levels when the average number of prime cattle killed per herd was 35.4 head. The average number of prime cattle killed per presenting herd in NI has recorded a general increase from 30.9 head in 2009 as outlined in Figure 1.

While the average number of prime cattle killed per presenting herd gradually increased the number of individual herds presenting cattle for slaughter generally declined between 2009 and 2015. There was however an increase in the number of presenting herds in NI during 2016 and 2017 with many of these additional herds killing very small numbers of cattle.

While the average number of prime cattle killed per presenting herd has increased in NI between 2009 and 2017 there continues to be significant variation in the scale of beef finishing operations across the province. The NI production base continues to be centred on relatively small beef finishers with almost half of all price reported prime cattle sourced from herds killing less than 100 head while almost two thirds of prime cattle killed in NI came from herds killing less than 200 prime cattle during 2017.

There are however some indications that the finishing of beef cattle in NI is becoming more specialised as outlined in Figure 3. During 2017 13 per cent of price reported prime cattle in NI were sourced from herds killing in excess of 1000 head of prime cattle, up from 10 per cent in 2009. During 2017 a further 10 per cent of prime cattle were presented for slaughter by herds that killed between 501 and 1000 head of prime cattle, up slightly from 9 per cent of the price reported kill in this category during 2009.

Meanwhile at the other end of the scale 11 per cent of price reported prime cattle in NI were sourced from herds killing 20 or less prime cattle during 2017, back from 14 per cent in 2009. A further 18 per cent of prime cattle killed in 2017 were presented by herds killing between 21-50 head of prime cattle, back from 20 per cent of price reported prime cattle in 2009.

The increase in the average number of cattle killed per herd and the increase in the proportion of prime cattle sourced from bigger herds in NI is most likely been driven by market trends as producers seek to improve efficiencies and reduce costs through economies of scale.

A report commissioned by LMC back in 2013 which explored the Price Differential in Deadweight Cattle Prices between GB and NI outlined key priorities and recommendations for the NI beef industry moving forward. One of the key recommendations of this report was to encourage smaller scale beef producers in NI to consider selling cattle as forward stores as this may bring a better return to their enterprise than finishing the cattle themselves.

The report authors felt that as well as potentially improving the proportion of prime cattle meeting specification it could create the opportunity to improve producer bargaining power with processors to increase returns. While no official measures have been put in place to encourage producers to sell forward stores for finishing in larger units the NI beef industry appears to have reacted to market signals and made slight alterations to the supply base.

Figure 2: Average number of price reported prime cattle killed per presenting herd number 2009-2017 (Head)

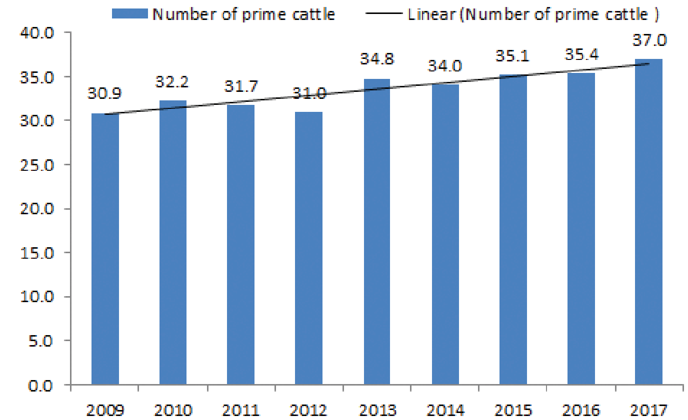
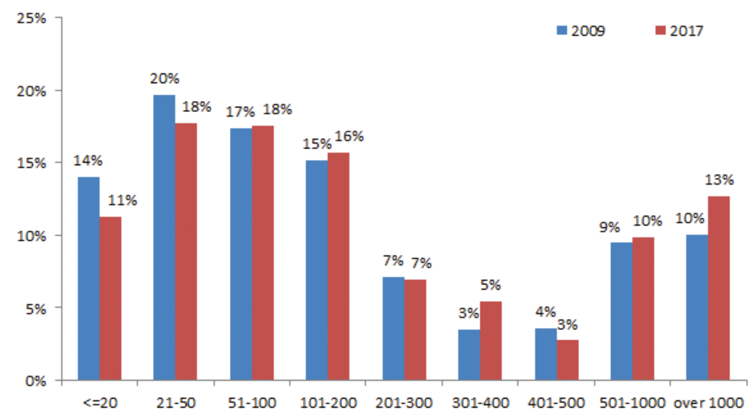



Figure 3: Origin of NI price reported prime cattle kill broken down by enterprise size during 2009 and 2017 (Head)



# WEEKLY BEEF & LAMB MARKETS

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## CATTLE TRADE

### NI FACTORY BASE QUOTES FOR CATTLE

| (P/KG DW) | This Week 11/06/18 | Next Week 18/06/18 |
|---|---|---|
| **Prime** | | |
| U-3 | 360 - 368p | 360 - 368p |
| R-3 | 354 - 362p | 354 - 362p |
| O+3 | 348 - 356p | 348 - 356p |
| P+3 | 302 - 316p | 302 - 316p |
| | Including bonus where applicable | |
| **Cows** | | |
| O+3 & better | 280- 294p | 280- 290p |
| 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 09/06/18 | Steers | Heifers | Young Bulls |
|---|---|---|---|
| U3 | 376.5 | 378.0 | 369.4 |
| R3 | 371.2 | 371.5 | 364.1 |
| O+3 | 362.8 | 361.5 | 354.4 |

*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

| W/E 09/06/18 | Wgt <220kg | Wgt 220-250kg | Wgt 250-280kg | Wgt >280kg |
|---|---|---|---|---|
| P1 | 199.7 | 213.2 | 227.2 | 248.3 |
| P2 | 213.3 | 239.9 | 261.6 | 278.4 |
| P3 | 260.7 | 258.5 | 277.7 | 283.7 |
| O3 | - | 272.0 | 300.2 | 302.7 |
| O4 | 220.0 | - | 293.7 | 305.2 |
| R3 | - | - | - | 320.2 |

## Deadweight Cattle Trade

THE deadweight trade for prime cattle in NI held fairly steady in NI this week with base quotes for in-spec U-3 grading steers and heifers ranging from 360-368p/kg with the majority of plants quoting 364-366p/kg. Quotes for early next week are expected to be in the same range although within this some plants have reduced quotes by 2-4p/kg. Quotes for O+3 grading cows this week ranged from 280-294p/kg with quotes next week expected to range from 280-290p/kg.

The plants have reported steady supplies of prime cattle to meet demand for beef with 5,733 prime cattle killed in NI last week. This was back slightly from the 5,804 prime cattle killed in NI during the previous week but well below the 6,547 prime cattle killed locally in the same week last year. Cow throughput has also remained firm with 1,456 cows killed locally last week compared to 1,323 cows during the previous week.

Imports for direct slaughter in NI last week from ROI consisted of 65 prime cattle and 9 cows while a further 2 prime cattle and 33 cows were imported from GB. Meanwhile exports from NI to ROI for direct slaughter last week included 20 prime cattle, 170 cows and 13 bulls which takes total exports to 183 head. This is the highest weekly level of export since early January this year. There were no cattle exported from NI to GB last week for direct slaughter.

The average steer price in NI last week increased by almost 3p/kg to 367.2p/kg while the R3 steer price increased by 2.1p/kg to 374.8p/kg. This puts the NI R3 steer price at its highest recorded level since November 2013. The average heifer price in NI last week was back marginally to 367.4p/kg while the R3 heifer price increased by 1.4p/kg to 373.8p/kg. This also brings the R3 heifer price in NI to its highest level since November 2013.

The deadweight trade for prime cattle generally held steady in GB in recent weeks. The average steer price in GB last week was unchanged at 368.5p/kg while the average R3 steer price was also unchanged at 377p/kg. The trade remained similar across GB with the R3 steer price within a penny of the previous week in all of the regions. The differential between NI and the GB average R3 steer price last week was 3.2p/kg or £11 on a 350kg carcase. The average heifer price in GB last week was 373.9p/kg, up 3.3p/kg from the previous week. Meanwhile the R3 heifer price in GB increased by 1.8p/kg to 378.3p/kg which puts it 4.5p/kg ahead of the equivalent price in NI. The R3 heifer price was unchanged in Scotland last week however it recorded strong increases of 4-7p/kg in all of the other regions.

In ROI last week the R3 steer price was the equivalent of 363.9p/kg, up 2.4p/kg from the previous week. Meanwhile the average heifer price in ROI last week was the equivalent of 373.9p/kg, up 1.9p/kg from the previous week and just below the equivalent price in NI. The cow trade in ROI has come under some slight pressure with the O3 cow price back marginally to 306.4p/kg.

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

| W/E 09/06/2018 | | Northern Ireland | Rep of Ireland | Scotland | Northern England | Midlands & Wales | Southern England | GB |
|---|---|---|---|---|---|---|---|---|
| Steers | U3 | 377.5 | 371.0 | 384.7 | 380.2 | 377.9 | 381.6 | 380.8 |
| | R3 | 374.8 | 363.9 | 384.7 | 375.3 | 373.6 | 374.7 | 377.0 |
| | R4 | 378.0 | 365.0 | 387.7 | 382.5 | 372.9 | 375.3 | 380.6 |
| | O3 | 366.5 | 351.7 | 365.5 | 349.6 | 345.7 | 355.1 | 354.1 |
| | AVG | 367.2 | - | 382.6 | 366.6 | 361.5 | 362.5 | 368.5 |
| Heifers | U3 | 379.0 | 386.4 | 391.0 | 384.8 | 386.0 | 382.7 | 386.5 |
| | R3 | 373.8 | 373.9 | 385.3 | 377.4 | 376.5 | 373.3 | 378.3 |
| | R4 | 372.9 | 374.3 | 391.1 | 381.8 | 377.7 | 377.7 | 382.4 |
| | O3 | 367.8 | 359.3 | 364.0 | 352.1 | 352.6 | 354.6 | 355.9 |
| | AVG | 367.4 | - | 386.6 | 374.7 | 368.0 | 363.9 | 373.9 |
| Young Bulls | U3 | 369.4 | 367.6 | 383.8 | 367.3 | 373.2 | 365.0 | 371.6 |
| | R3 | 364.0 | 359.3 | 374.7 | 362.1 | 367.5 | 365.5 | 366.6 |
| | O3 | 344.9 | 343.2 | 340.0 | 319.9 | 333.7 | 344.9 | 329.7 |
| | AVG | 352.9 | - | 374.2 | 347.0 | 352.8 | 356.5 | 355.6 |
| Prime Cattle Price Reported | | 5107 | - | 6944 | 7426 | 7048 | 4866 | 26284 |
| Cows | O3 | 302.4 | 306.4 | 301.9 | 288.0 | 290.0 | 291.3 | 291.1 |
| | O4 | 304.3 | 307.4 | 301.9 | 290.5 | 289.6 | 287.3 | 290.6 |
| | P2 | 263.7 | 276.7 | 260.4 | 246.1 | 245.0 | 252.0 | 248.9 |
| | P3 | 281.4 | 297.4 | 276.2 | 265.1 | 261.7 | 274.3 | 266.6 |
| | AVG | 284.7 | - | 296.0 | 267.0 | 256.6 | 260.1 | 264.1 |

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.72p 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 09/06/18 | From | To | Avg | From | To | Avg |
| **Finished Cattle (p/kg)** | | | | | | |
| Steers | 210 | 226 | 219 | 185 | 209 | 198 |
| Friesians | 179 | 190 | 185 | 160 | 179 | 170 |
| Heifers | 206 | 228 | 213 | 180 | 204 | 192 |
| Beef Cows | 165 | 204 | 180 | 135 | 164 | 148 |
| Dairy Cows | 126 | 147 | 135 | 100 | 125 | 112 |
| **Store Cattle (p/kg)** | | | | | | |
| Bullocks up to 400kg | 230 | 269 | 245 | 200 | 229 | 210 |
| Bullocks 400kg - 500kg | 220 | 248 | 235 | 190 | 219 | 205 |
| Bullocks over 500kg | 215 | 242 | 225 | 175 | 214 | 200 |
| Heifers up to 450kg | 220 | 254 | 238 | 175 | 219 | 200 |
| Heifers over 450kg | 200 | 225 | 210 | 160 | 199 | 180 |
| **Dropped Calves (£/head)** | | | | | | |
| Continental Bulls | 300 | 400 | 350 | 200 | 298 | 250 |
| Continental Heifers | 260 | 360 | 300 | 150 | 258 | 205 |
| Friesian Bulls | 110 | 165 | 140 | 70 | 108 | 90 |
| Holstein Bulls | 105 | 150 | 125 | 2 | 102 | 60 |

# SHEEP TRADE

| SHEEP BASE QUOTES | | |
|---|---|---|
| (P/Kg DW) | This Week 11/06/18 | Next Week 18/06/18 |
| Lambs >21kg | 475-490p | 490-500p |

| REPORTED SHEEP PRICES | | | |
|---|---|---|---|
| (P/KG) | W/E 26/05/18 | W/E 02/06/18 | W/E 09/06/18 |
| NI L/W Lambs | 505.7 | 435.7 | 485.4 |
| NI D/W Lambs | 559.9 | 506.6 | 473.9 |
| GB D/W Lambs | 590.1 | 537.9 | 549.3 |
| ROI D/W | 554.7 | 486.2 | 483.4 |

## Deadweight Sheep Trade

QUOTES from the plants this week for R3 grading lambs showed some variability this week however they settled at 490-500p/kg towards the end of the week for R3 grading lambs up to 21kg. Similar quotes are expected for early next week. Lamb throughput in NI plants last week totalled 6,005 head with a further 3,533 lambs exported to ROI for direct slaughter. These figures were well below the same week last year when 8,766 lambs were killed locally and a further 4,574 lambs exported to ROI for direct slaughter. The deadweight trade has shown some variability in recent weeks with an average lamb price in NI last week of 473.9p/kg. This was back 32.7p/kg from the previous week. In ROI last week the average lamb price was the equivalent of 483.4p/kg, back 2.8p/kg from the previous week.

## This week's marts

THERE was a strong trade and a strong demand for good quality lambs in the sale rings this week with the numbers passing through generally lower than the same week last year. In Omagh last Saturday 434 lambs sold from 522-546p/kg compared to 298 lambs the previous week selling from 435-479p/kg. In Saintfield this week 507 lambs sold from 495-540p/kg compared to 272 lambs selling from 429-475p/kg last week. In Rathfriland this week 626 lambs sold to an average of 502p/kg compared to 350 lambs last week selling to an average of 476p/kg. In Markethill on Wednesday 700 lambs sold from 480-515p/kg compared to 450 lambs last week selling from 460-549p/kg. In Armoy this week a similar trade to last week saw 246 lambs selling from 475-520p/kg.

| LATEST SHEEP MARTS | | | | | |
|---|---|---|---|---|---|
| From: 08/06/18 | | Lambs (P/KG LW) | | | |
| To: 14/06/18 | | No | From | To | Avg |
| Friday | Newtownstewart | 242 | 469 | 518 | - |
| Saturday | Omagh | 434 | 522 | 546 | - |
| | Swatragh | 250 | 480 | 541 | - |
| Monday | Massereene | 702 | 490 | 548 | - |
| | Kilrea | 400 | 494 | 518 | - |
| Tuesday | Saintfield | 507 | 495 | 540 | - |
| | Rathfriland | 626 | 488 | 537 | 502 |
| Wednesday | Ballymena | 932 | 480 | 568 | 497 |
| | Enniskillen | 202 | 500 | 530 | - |
| | Armoy | 246 | 475 | 520 | - |
| | Markethill | 700 | 480 | 515 | - |

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