LMC
Livestock & Meat Commission

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 20 April 2019 Issue No. 2566

INCREASE IN AGE AT SLAUGHTER

ANALYSIS of Price Reporting data has indicated that during the first quarter of 2019 there has been an increase in the average age of all types of prime cattle passing through local processing plants as outlined in Figure 1.

Steers

The average age of price reported steers was 778 days (25.6 months) during the first quarter of 2019 compared to 757 days (24.9 months) in the corresponding period in 2018. This is an increase of 21 days in the average age at slaughter year on year. There has also been an increase in the proportion of steers killed over 30 months of age from 10.3 per cent in the 2018 period to 14.2 per cent in the 2019 period.

Heifers

A similar trend can be observed in the average age at slaughter of price reported heifers. In the first quarter of 2019 the average age at slaughter was 775 days (25.4 months). This was up from 763 days (25.1 months) in the same period last year which is the equivalent of an extra 12 days on farm. During the 2019 period 15.5 per cent of price reported heifers were over 30 months of age at point of slaughter. This is up from 13.2 per cent in the same period last year.

Young bulls

There has also been an increase in the proportion of young bulls in the NI slaughter mix with an average age at slaughter of 503 days (16.5 months) during the 2019 period, an increase of 10 days from 493 days (16.2 months) in the same period last year. The proportion of young bulls killed under 16 months has decreased from 75 per cent in the 2018 period to 71 per cent in the 2019 period.

Good forage supplies on many farms this spring has meant there has not been the same pressure on producers to push cattle to finish earlier by introducing high levels of concentrate feed. The mild spring this year has also allowed producers to get some cattle back out to grass earlier which has further reduced demands on forage stocks.

In addition to this relatively high store prices at the back of last year has meant finishers are trying to finish prime cattle at heavier carcase weights as indicated in Figure 2. To achieve these higher carcase weights producers are killing prime cattle at older ages and this is understandable if the financial return for the additional carcase weight gain exceeds the additional costs of production.

The largest majority of retail specifications require steers and heifers to be under 30 months at point of slaughter although some contracts allow cattle up to 36 months. Producers should consult with the procurement staff of individual plants prior to finishing cattle for slaughter to ensure there is a market for the cattle they are finishing. Some of the major retail and food service customers will also accept beef from young bulls under 16 months of age although the market for this beef is more limited.

If processors want producers to finish cattle within current market specifications it is important that they give clear market signals to encourage them to do so. There are currently penalties of 10-20p/kg in place for prime cattle that are killed over the 30 month deadline (unless previously agreed otherwise) while the penalty for young bulls over 16 months can be up to 50p/kg in some plants.

Figure 1: Age at slaughter of price reported prime cattle January-March 2018/19

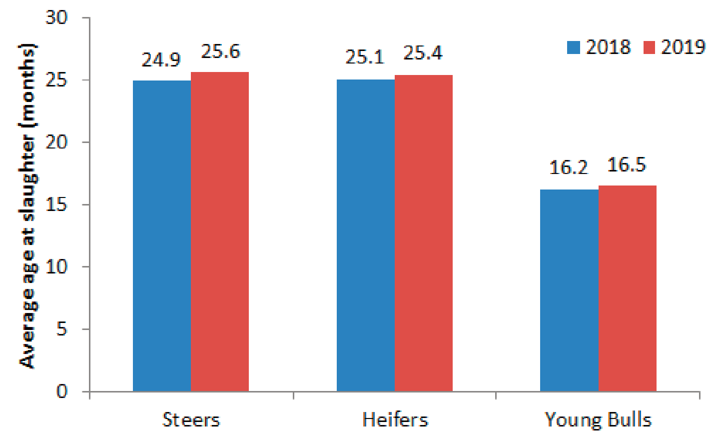
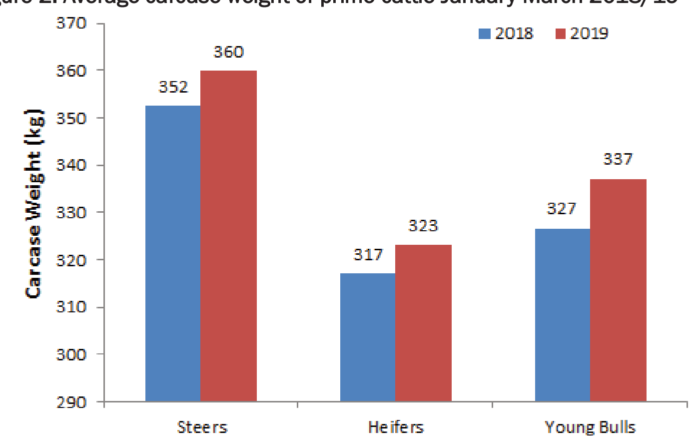


Figure 2: Average carcase weight of prime cattle January-March 2018/19



WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 15/04/19	Next Week 22/04/19
Prime		
U-3	330 - 336p	330 - 336p
R-3	324 - 330p	324 - 330p
O+3	318 - 324p	318 - 324p
P+3	272 - 282p	272 - 282p
	Including bonus where applicable	
Cows		
O+3 & better	230 - 250p	234 - 250p
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 13/04/19	Steers	Heifers	Young Bulls
U3	337.1	344.6	331.5
R3	335.7	338.1	324.3
O+3	325.4	328.9	317.6

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 13/04/19	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	141.7	150.7	165.4	190.1
P2	159.7	182.6	203.7	217.4
P3	170.0	198.2	219.8	226.3
O3	220.0	215.7	234.1	245.0
O4	150.0	225.0	239.9	248.5
R3	-	-	-	267.8

Deadweight Cattle Trade

THE deadweight cattle trade remained steady this week with base quotes from the major NI processors for in spec U-3 grade prime cattle ranging from 330-336p/kg. With a differential in prices paid and quotes producers should use these quotes as a starting point for negotiation. The trade for good quality O+3 cows also remained steady with base quotes ending the week ranging from 234-250p/kg. Similar quotes are expected for all types of cattle early next week.

The plants have reported steady supplies of cattle coming forward for slaughter with prime cattle throughput last week totalling 6,767 head. This is a similar throughput to the previous week and 373 head decrease on the same week in 2018. Meanwhile cow throughput in NI last week totalled 1,554 head, again similar levels to the previous week. This is back 559 head when compared to the 2,113 cows slaughtered in the same week last year.

Imports from ROI for direct slaughter in NI plants last week consisted of 363 prime cattle and 34 cows, compared to 37 prime cattle and 25 cows during the corresponding week in 2018. There were no imports from GB to NI for direct slaughter last week. Exports from NI to ROI for direct slaughter last week consisted of 31 prime cattle and 56 cows while no cattle made the journey to GB for direct slaughter.

Deadweight cattle prices in NI last week showed some signs of improvement. The average steer price back last week was back by 0.6p/kg to 330.4p/kg while the R3 steer price marginally decreased to 339.5p/kg. Meanwhile the average heifer price in NI last week was up by 1.4p/kg to 334.2p/kg while the R3 heifer price increased by 1.9p/kg to 339.4p/kg. The average young bull price in NI last week was back half a penny to 313.3p/kg while the R3 young bull price decreased by a penny to 324.8p/kg. The average cow price in NI last week recorded an increase of 5.5p/kg to 224.4p/kg while the O3 cow price held steady at 244p/kg.

In GB last week the deadweight trade for prime cattle firmed with the average steer price up by 4p/kg to 340.7p/kg while the R3 steer price increased by 3.1p/kg to 347.1p/kg. The differential in R3 steer prices last week between NI and GB was 7.6p/kg or £27 on a 350kg carcase. The average heifer price in GB last week was up by 4.7p/kg to 341.6p/kg while the R3 heifer price increased by 4.3p/kg to 348.2p/kg. This puts the differential in R3 heifer prices last week between NI and GB at 8.8p/kg or £28 on a 320kg carcase.

In ROI last week deadweight cattle prices increased in both euro and sterling terms. The R3 steer price in ROI was the equivalent of 316.4p/kg, up by 3.6p/kg from the previous week, which puts the differential between NI and ROI at 23.1p/kg or £81 on a 350kg carcase. The R3 heifer price was also up by a similar margin to the equivalent of 327.4p/kg. This puts the differential between NI and ROI at 12p/kg or £38 on a 320kg carcase. The O3 cow price in ROI last week increased by the equivalent of 2.2p/kg to 234.6p/kg, 9.4p/kg below the same price in NI.

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

	W/E 13/04/19	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	338.2	325.0	355.3	351.6	352.8	351.0	352.8
	R3	339.5	316.4	354.0	347.7	345.2	342.1	347.1
	R4	338.5	317.8	356.7	354.4	344.2	342.4	350.6
	O3	329.7	301.5	334.4	327.2	323.1	320.4	326.4
	AVG	330.4	-	352.2	342.4	334.8	332.0	340.7
Heifers	U3	345.0	339.4	363.7	356.0	358.9	354.4	358.6
	R3	339.4	327.4	353.3	347.1	347.4	344.6	348.2
	R4	338.8	327.6	354.1	348.8	346.6	343.4	348.5
	O3	327.6	312.2	336.4	333.8	319.0	319.3	327.1
	AVG	334.2	-	352.9	343.9	335.6	332.9	341.6
Young Bulls	U3	330.8	303.2	352.4	336.0	346.3	344.2	342.7
	R3	324.8	293.5	340.5	331.9	336.9	329.4	334.8
	O3	310.1	277.7	306.3	302.7	303.5	325.4	304.9
	AVG	313.3	-	329.3	322.6	313.2	324.1	320.5
Prime Cattle Price Reported		5,919	-	6,514	6,996	7,269	4,898	25,677
Cows	O3	244.0	234.6	265.8	255.4	261.0	263.0	260.2
	O4	247.8	235.5	266.9	260.0	256.8	253.1	258.5
	P2	205.0	206.7	221.3	214.5	211.1	215.8	214.1
	P3	224.8	224.8	242.6	232.9	232.0	236.1	234.5
	AVG	224.4	-	259.9	242.6	226.9	227.8	234.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.21p 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 13/04/19	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	206	213	209	180	203	190
Friesians	149	163	153	124	139	134
Heifers	202	212	206	170	201	185
Beef Cows	155	220	172	125	154	140
Dairy Cows	110	148	117	70	109	90
Store Cattle (p/kg)						
Bullocks up to 400kg	235	289	250	210	234	220
Bullocks 400kg - 500kg	225	256	238	200	224	210
Bullocks over 500kg	205	237	215	175	204	190
Heifers up to 450kg	215	256	230	175	214	195
Heifers over 450kg	200	214	207	165	199	185
Dropped Calves (£/head)						
Continental Bulls	300	375	342	210	295	255
Continental Heifers	220	330	270	125	215	185
Friesian Bulls	140	255	212	52	125	90
Holstein Bulls	90	140	110	1	80	40

GB RED MEAT SALES STRUGGLE IN QUARTER 1

REPORTS from the major processors have indicated some difficulties in sales in recent months with supplies of beef running ahead of demand from major customers. This trend has now been reflected in retail sales data from Kantar for the 12 weeks ending 24 March 2019.

During this 12 week period retail beef sales in GB were valued at £536.3 million, a notable 4.8 per cent decline from the corresponding 12 week period in 2018. This equates to a decline of £25.7 million in the value of retail sales year on year and is the lowest retail spend on beef recorded during this 12 week period since 2016.

The volume of beef sold through major retailers totalled 68,749 tonnes during the 12 weeks ending 24 March 2019, a 5.2 per cent decline from the same period in 2018. In volume terms this equates to a decline in retail sales of 3,575 tonnes year on year.

The decline in volume sales has been driven primarily by reductions in the sales of some of the major beef cuts. The most notable decline during the 12 weeks ending 24 March 2019 has been in the sale of beef roasting joints which were back 30 per cent from the same period in 2018. The very mild weather this winter/spring compared to the extreme weather experienced last year would have had a strong bearing on these reduced sales.

Figure 3: Retail beef sales have struggled during Quarter 1 2019 with volume and expenditure both declining.

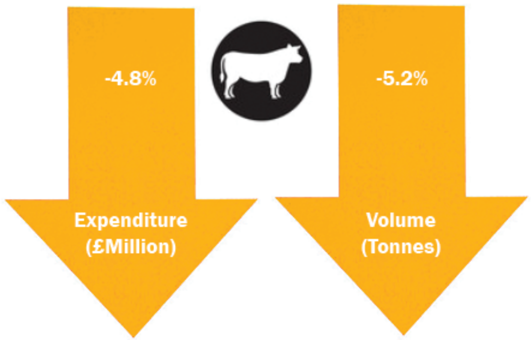
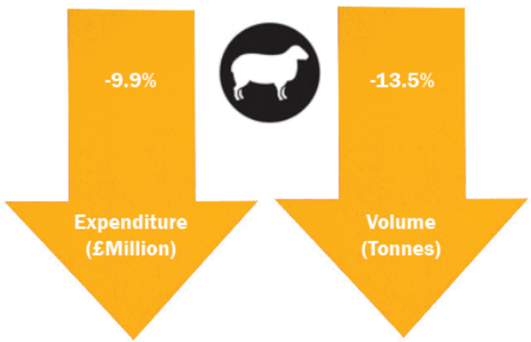


Figure : Retail lamb sales have struggled during Quarter 1 2019 with volume and expenditure both declining.



Meanwhile volume sales of stewing steak during the 12 weeks ending 24 March 2019 were back by 7.8 per cent while sales of frying and grilling steaks were back by 6 per cent. There was however more positive sales for mince and beef marinades which increased volume sales by 2.5 per cent and 9.7 per cent respectively year on year.

Volume sales of the majority of reported processed beef products have also struggled during the first 12 weeks of 2019. The most notable declines have been in the sales of burgers (-3.2 per cent), frozen ready meals (-7 per cent) and frozen pies (-6.9 per cent).

The fall in volume sales of beef products will also have been impacted by a reduction in household penetration. During the 12 weeks ending 24 March 2019 73.5 per cent of GB households purchased beef compared to 74.9 per cent of households in the same period last year.

The average retail price of beef during the 2019 period was £7.80/kg which was up marginally from the same period in 2018.

Lamb

Lamb sales have also struggled in the UK retail market with total sales valued at £125.2 million during the 12 weeks ending 24 March 2019. This was a 9.9 per cent decrease from the same period in 2018. Lamb sales have also suffered in volume terms with retail lamb sales totalling 12,967 tonnes during the same period, back 13.5 per cent from the corresponding 12 weeks in 2018.

The average retail price of lamb during the 2019 period was £9.66 /kg, an increase of 30p/kg from the 2018 period. This increase in the average retail price may have been one factor behind the fall in volume sales. There has also been a decline in household penetration with 29.7 per cent of households purchasing lamb in the 12 weeks ending 24 March 2019, back from 32.9 per cent of households in the corresponding period in 2018.

Much of the decline in volume lamb sales has been driven by reduced sales of lamb shoulder roasting joints (-26.4 per cent) and leg roasting joints (-26.6 per cent). There have also been notable declines in volume sales of lamb marinades and frying steaks/chops during the 2019 period although not to the same level as the declines seen in lamb roasting joint sales. There was however some positive news for lamb mince sales in the UK which increased by 6.8 per cent in volume terms year on year.

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 15/04/19	Next Week 22/04/19
Hoggets> 22kg	450-460p	450-460p
Spring Lambs> 21kg	490-500p	485-500p

REPORTED SHEEP PRICES

(P/KG)	W/E 30/03/19	W/E 06/04/19	W/E 13/04/19
NI L/W Hoggets	412.8	438.3	411.4
NI D/W Hoggets	429.2	455.9	454.9
GB D/W Hoggets	438.2	456.2	472.3
ROI D/W	426.7	450.7	469.1
NI L/W Spr Lambs	472.9	483.2	499.8
NI D/W Spr Lambs	423.1	466.6	500.1
GB D/W Spr Lambs	-	493.3	501.9

Deadweight Sheep Trade

THE deadweight hogget trade remained firm in NI this week with base quotes for R3 grade hoggets ranging from 450-460p/kg with plants paying up to 22kg. Quotes for R3 grade spring lambs ranged from 490-500p/kg paying up to 21kg with similar quotes expected for next week. Throughput last week of hoggets/lambs totalled 6,144 head, similar to the previous week when 6,117 hoggets/lambs were killed locally. Exports of lambs/hoggets from NI to ROI for direct slaughter last week totalled 4,457 head, a 17.6 per cent decrease on the 5,412 lambs/hoggets exported to ROI during the same week in 2018. The average NI deadweight hogget price came back a penny to 454.9p/kg while the average NI deadweight spring lamb price increased by 33.5p/kg to 500.1p/kg from the previous week.

This week's marts

THERE was a quieter trade across some of the marts this week with smaller numbers of hoggets passing through the sale rings compared to last week. In Omagh last Saturday 735 hoggets sold from 418-439p/kg compared to 752 hoggets selling from 424-467p/kg the previous Saturday. In Masserene on Monday 626 hoggets sold from 400-462p/kg compared to 812 hoggets last week selling from 430-494p/kg. In Markethill on Wednesday 620 hoggets sold from 380-440p/kg compared to 990 hoggets last week selling from 390-446p/kg. The number of spring lambs passing through the marts this week remains subdued with reported prices ranging from 368-528p/kg. The ewe trade remained firm this week with top reported prices ranging from £90-157.

LATEST SHEEP MARTS (P/KG LW)

From: 13/04/19		Hoggets				Spring Lambs			
To: 18/04/19		No	From	To	Avg	No	From	To	Avg
Saturday	Swatragh	700	430	486	-	-	-	-	-
	Omagh	735	418	439	-	41	446	528	-
Monday	Massereene	626	400	462	-	188	450	510	-
	Kilrea	500	415	467	-	-	-	-	-
Tuesday	Saintfield	394	359	432	-	71	368	455	-
	Rathfriland	222	380	420	400	164	430	512	462
	Armoy	342	378	440	-	32	472	512	-
Wednesday	Ballymena	322	350	440	380	319	430	490	450
	Enniskillen	382	390	428	-	-	-	-	-
	Markethill	620	380	440	-	200	420	450	-

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