

DEADWEIGHT CATTLE PRICES AHEAD OF EU

Deadweight prices for prime cattle in NI and GB are continuing to operate well ahead of average EU prices. **Figure 1** displays R3 heifer prices for NI, GB, ROI and the EU average from March 2019 up until the end of February 2020 in sterling terms.

As indicated in **Figure 1** R3 heifer prices in NI were operating close to the EU average price during summer and early autumn 2019. The deadweight trade in NI improved during the last quarter of 2019 and has held relatively stable during 2020 to date however EU prices in sterling terms continued to come under pressure.

The R3 heifer price in NI during the w/e 29 February 2020 was 341.3p/kg, just behind the 343.9p/kg paid in the GB. During the same week the average R3

heifer price in ROI was the equivalent of 318.1p/kg, 23.2p/kg behind the NI price. This puts the differential between the two regions at £77 on a 330kg carcasse. Deadweight heifer prices in ROI were operating below the average EU price between July 2019 and early February 2020. Since then prices have been tracking just ahead of the EU average as outlined in **Figure 1**.

R3 heifer prices w/e 29 February 2020

GB: 343.9p/kg **NI:** 341.3p/kg

ROI: 318.1p/kg **EU:** 315.2p/kg

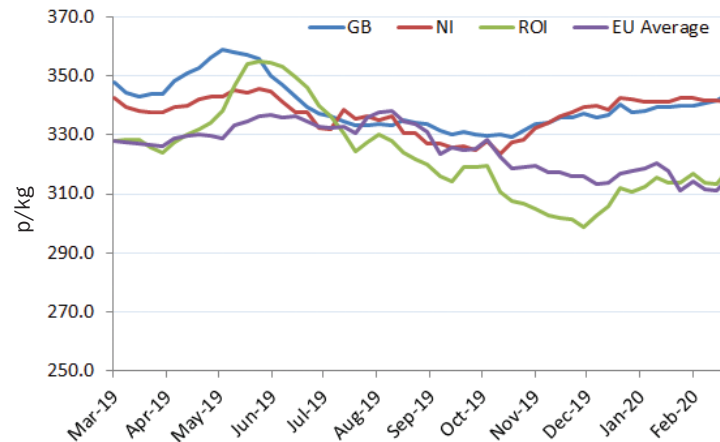
The average R3 heifer price in the EU during the w/e 29 February 2020 was

the equivalent of 315.2p/kg, 26.1p/kg behind the R3 heifer price in NI. On a 330kg carcasse this is a differential of £86 on an R3 grading heifer.

A firming in sterling against the euro has contributed to the widening differential in R3 prices between NI and GB against the EU average however sterling has come under pressure in the last few weeks which may narrow the differential. A stronger sterling makes the UK market less attractive to other EU countries to send beef to however it also makes UK beef less competitive on the important EU market.

The current stagnation in the deadweight beef trade in the EU is occurring despite a strong growth in beef exports, whilst the volume of beef imports has declined. The stagnation in

Figure 1: R3 heifer prices in Great Britain, Northern Ireland, Republic of Ireland and the EU average price from March 2019 to February 2020 (p/kg)



the EU prime beef market is being attributed to the ongoing long-term decline in beef consumption in the EU

and this is keeping downward pressure on beef prices despite tighter supplies.

MIXED PERFORMANCE FOR RETAIL LAMB SALES

During the 12 weeks ending 26 January 2020 primary lamb sales through retail outlets in Great Britain were valued at £145.5million, this was up marginally from the corresponding period in 2018/19. This increase in value was driven primarily by an increase in the average retail price to £9.11/kg with overall volume sales back by 2.2 per cent.

Primary lamb sales

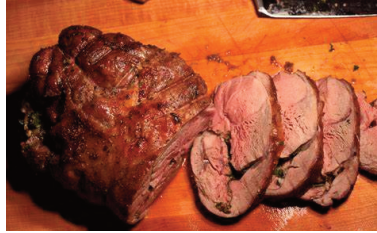
Total roasting joint retail sales in Great Britain recorded some positive growth and were valued at £75.3 million during the 12 weeks ending 26 January 2020. This was a 2.9 per cent increase from year earlier levels. This increase was driven by a six per cent increase in the average retail price to £9.05/kg while volume sales of roasting joints were back by three per cent.

Within this category leg roasting joints struggled with the value and volume of sales back by 2 per cent and 5.8 per cent respectively. This decline was offset by strong growth in sales of shoulder roasting joints. In value terms sales increased by 28.4 per cent to total £15.5 million while volumes increased by 11.9 per cent to total 1,600 tonnes during the 12 weeks ending 26 January 2020.

Sales of lamb chops held steady in value terms during the 2019/20 period however there was a 1.2 per cent increase in volume sales. There was also volume growth in sales of diced/cubed lamb during the 2019/20 period however the overall value of sales was back by 4.4 per cent from the previous year.

Sales of lamb leg steaks also came under some pressure during the 2019/20 period. The value of retail sales totalled £17.4 million, back 4.8 per cent from year earlier levels while volume sales were back by 5 per cent to total 1,400 tonnes.

Image 1: Growth recorded in value of lamb roasting joint sales



Processed lamb sales

Retail sales of processed lamb, including burgers and grills, were valued at £4.6 million during the 12 weeks ending 26 January 2020, a 19 per cent

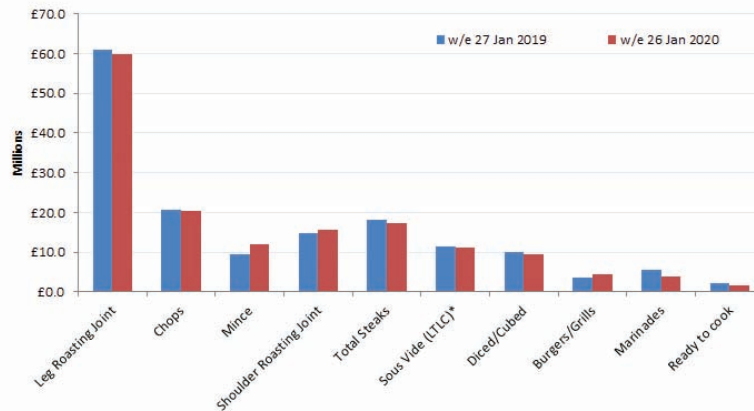
increase from the corresponding period in 2018/19. A combination of a 6.3 per cent increase in the volume of processed lamb sales and 12 per cent increase in the average retail price contributed to the improvement in the overall value of sales.

Added value sales

Retail sales of added value lamb products struggled during the 12 weeks ending 26 January 2020 according to the latest available data from Kantar. Volume sales of Sous Vide (slow cooking products), lamb marinades and ready to cook lamb products all recorded declines in terms of both retail value and volume sales.

This decline in the value and volume of added value lamb products is in complete contrast to added value beef products which recorded strong growth in sales during the same period.

Figure 2: Value of retail lamb sales by cut during the 12 w/e 26 January 2020 and the corresponding period in 2018/19



BEEF EXPORTS TO THE USA ONE STEP CLOSER

Last week the United States Department of Agriculture (USDA) Food Safety Inspection Service (FSIS) listed the whole of the UK as eligible to supply raw beef which gives UK red meat exporters a big step towards accessing the US market

Image 2: A trade deal between the UK and the US could be worth £66 million over the first five years



The FSIS has combined all regions of the UK into one food safety inspection system following changes that came into force on 06 March 2020 according to an article published on IEG Agribusiness. At the same time, FSIS added raw intact beef and raw ground beef to the list of products eligible for export from the UK.

Under previous rules some regions of the UK were recognised as eligible to supply the US with raw pork but not beef. The change was made following the release of a favourable FSIS audit report, based on inspections carried out in July and August 2019. The audit was funded by the UK Export Certification Partnership, of which LMC is a founding member.

The audit visit included tours of five beef sites, four pork and one lamb, as well as several laboratories across the UK. The report concludes that the UK's

disease control measures are equivalent to those in the US and that once the administrative details are completed, commercial trade can begin. It is as yet unclear exactly when this will be.

The USDA first cleared the way for the EU to resume beef exports to the US when it aligned its BSE regulations with international standards in 2014. Following this decision each EU country had to be inspected on a case-by-case basis and only a handful, including ROI, have achieved this to date. Following the developments last week the UK is now a closer to joining ROI as a supplier of beef to the US.

Currently, the UK has 11 certified plants that produce and export raw pork products to the US. Before last year's audit UK authorities provided FSIS with 10 additional establishments across the UK intending, but not yet certified, to export raw beef or sheep meat to the US.

While access to the US market for beef has taken a step forward progress on access for sheepmeat has been slower. The audit report concludes that the UK will not be able to export lamb to the US until the USDA changes rules relating to scrapie.

This rule change has been on the cards for several years however deadlines have been repeatedly pushed back by the USDA. This will mean UK exporters may have longer to wait before they can start shipping lamb to the US.

FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:
Tel: 028 9263 3024

Answerphone Service

Factory Quotes & Mart Results
Updated 5pm Daily
Tel: 028 9263 3011

Text Service

Free weekly price quotes sent to your mobile phone
Email - bulletin@lmcni.com
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WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 09/03/20	Next Week 16/03/20
Prime		
U-3	324 - 336p	324 - 336p
R-3	318 - 330p	318 - 330p
O+3	312 - 324p	312 - 324p
P+3	264 - 278p	264 - 278p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 250p	240 - 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.

Deadweight Cattle Trade

Base quotes from the major NI processors for in spec U-3 grade prime cattle ranged from 324-336p/kg this week. The majority of plants are quoting 332-334p/kg for steers and heifers. The trade for good quality O+3 grade cows ranged from 240-250p/kg across the plants this week. Similar quotes are expected for all types of cattle next week.

Prime cattle throughput in NI plants last week totalled 6,841 head, a decrease of 240 head from the previous week and 387 head less than the 7,228 prime cattle processed in the corresponding week in 2019. Meanwhile cow throughput in NI plants last week slightly increased to 1,928 head from the previous week. This is 341 head above the 1,587 cows processed in local plants in the same week last year.

Prime cattle imports from ROI for direct slaughter in NI plants last week totalled 134 head, with 66 cows also imported for direct slaughter. In the corresponding week in 2019 there were 55 prime cattle and 21 cows imported from ROI for direct slaughter. Meanwhile two steers and 48 cows were imported from GB last week which was similar to the same week in 2019. Exports from NI to ROI for direct slaughter last week included two steers and 82 cows with no cattle making the journey to GB for direct slaughter.

The average steer price in NI last week was back marginally to 331p/kg, with the R3 steer price back by 0.8p/kg to 338.8p/kg when compared to the previous week. The average heifer price in NI last week decreased by 1.2p/kg to 332.6p/kg with the R3 heifer price back 2.2p/kg to 339.1p/kg. The average young bull price in NI last week decreased by 6.2p/kg to 310p/kg while the R3 young bull price increased by 2.6p/kg to 328p/kg. The cow trade in NI improved last week with the O3 cow price increasing by 3.7p/kg to 258.8p/kg from the previous week.

The average steer price in GB last week was up 0.7p/kg to 335.7p/kg with the average R3 steer price up by just under a penny to 342.2p/kg. The differential last week in R3 steer prices between NI and GB was 3.4p/kg in the corresponding week last year the differential between the regions was 5.7p/kg. The average heifer price in GB last week decreased by half a penny to 336.5p/kg while the average R3 heifer price remained steady at 343.8p/kg. This puts the differential in R3 heifer prices last week between NI and the GB average at 4.7p/kg. In the same week in 2019 the differential between NI and GB was 5.2p/kg.

In ROI last week the cattle trade continued to firm and this combined with a stronger euro against sterling has resulted in notable increases in deadweight prices sterling terms. The R3 steer price was up by the equivalent of 10.4p/kg to 323.7p/kg, 15.1p/kg behind the R3 steer price in NI. The R3 heifer price increased by a similar margin to the equivalent of 328.3p/kg which puts it 10.8p/kg behind the corresponding price in NI. The O3 cow price in ROI last week recorded an increase of 9p/kg to the equivalent of 262p/kg, 3.2p/kg above the same price in NI.

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

	W/E 07/03/20	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	338.4	333.5	348.4	344.2	346.6	344.6	346.4
	R3	338.8	323.7	349.6	346.3	339.4	335.8	342.2
	R4	337.5	326.1	348.9	352.5	339.3	337.5	347.1
	AVG	328.8	308.9	332.1	322.8	317.5	315.0	319.7
Heifers	U3	344.7	339.7	355.6	348.7	351.5	347.4	351.5
	R3	339.1	328.3	350.7	345.2	342.0	339.6	343.8
	R4	336.9	329.1	351.5	343.8	341.3	338.2	345.7
	O3	330.4	313.0	326.1	320.8	317.7	318.2	319.4
	AVG	332.6	-	348.3	336.2	331.9	326.2	336.5
Young Bulls	U3	323.4	311.7	338.2	323.6	336.3	333.2	334.0
	R3	328.0	302.9	337.8	326.7	330.9	323.1	330.9
	O3	311.8	292.0	303.9	303.3	301.5	285.5	301.4
	AVG	310.0	-	325.0	313.6	312.6	292.1	313.6
Prime Cattle Price Reported		5,892	-	7,284	7,675	7,877	5,015	27,851
Cows	O3	258.8	262.0	260.1	262.6	258.3	254.3	259.0
	O4	260.7	261.6	259.8	262.9	258.5	249.4	257.7
	P2	222.5	235.0	209.0	221.4	213.9	215.5	215.3
	P3	240.2	251.9	225.8	238.7	230.9	234.5	232.4
	AVG	238.0	-	250.0	245.9	228.2	227.0	233.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.96p 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

REPORTED NI CATTLE PRICES - P/KG

W/E 07/03/20	Steers	Heifers	Young Bulls
U3	337.6	343.7	322.9
R3	335.7	337.6	326.7
O+3	329.5	329.8	318.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 07/03/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	152.8	164.9	176.1	188.5
P2	169.9	197.2	218.7	233.9
P3	169.6	224.4	233.5	242.7
O3	-	211.9	247.6	259.7
O4	-	-	251.9	260.9
R3	-	-	320.0	280.5

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 07/03/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	202	211	205	175	200	188
Friesians	150	169	158	126	149	135
Heifers	196	213	204	170	194	182
Beef Cows	140	194	157	120	138	130
Dairy Cows	116	136	121	75	115	100
Store Cattle (p/kg)						
Bullocks up to 400kg	235	278	250	205	234	220
Bullocks 400kg - 500kg	220	266	230	190	219	205
Bullocks over 500kg	200	210	205	165	199	182
Heifers up to 450kg	220	251	235	175	219	195
Heifers over 450kg	210	240	215	170	209	190
Dropped Calves (£/head)						
Continental Bulls	325	450	350	215	320	265
Continental Heifers	250	350	290	130	245	185
Friesian Bulls	125	200	150	55	120	85
Holstein Bulls	90	170	110	5	85	45

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 09/03/20	Next Week 16/03/20
Hoggets up to 22kgs	490-495p	480-490p

REPORTED SHEEP PRICES

(P/KG)	W/E 22/02/20	W/E 29/02/20	W/E 07/03/20
NI L/W Hoggets	438.8	444.7	431.1
NI D/W Hoggets	467.0	478.1	482.5
GB D/W Hoggets	532.0	530.3	530.9
ROI D/W	463.3	477.0	488.7

Deadweight Sheep Trade

Base quotes for R3 grade hoggets this week ranged from 490-495p/kg with local plants paying up to 22kg. Quotes for early next week are expected to range from 480-490p/kg. The processors have reported a decrease in the number of hoggets coming forward with throughput last week totalling 5,576 head, back 374 head from the previous week. In the corresponding week in 2019 hogget throughput totalled 4,131 head. Exports of hoggets to ROI for direct slaughter last week totalled 6,266 head, an increase of 843 head from the previous week. The average deadweight hogget price in NI last week recorded an increase of 4.4p/kg to 482.5p/kg while the average deadweight hogget price in ROI last week increased by the equivalent of 11.7p/kg to 488.7p/kg.

This week's marts

The liveweight trade remained firm this week with numbers in the marts generally back when compared to previous weeks. In Swatragh last Saturday 700 hoggets sold from 420-464p/kg compared to 950 hoggets the previous week selling from 398-472p/kg. On Monday in Massereene 627 hoggets sold from 450-533p/kg compared to 1,012 hoggets last week selling from 440-500p/kg. In Rathfriland on Tuesday 409 hoggets sold from 420-465p/kg (avg 433p/kg) compared to 401 hoggets last week selling from 415-478p/kg (avg 440p/kg). In Ballymena on Wednesday 1,355 hoggets sold from 400-484p/kg (avg 420p/kg) compared to 1,425 hoggets last week selling from 410-466p/kg (avg 430p/kg). Top reported prices for first quality fat ewes ranged from £122-£182.

LATEST SHEEP MARTS (P/KG LW)

From: 06/03/20		Hoggets			
To: 12/03/20		No	From	To	Avg
Friday	Newtownstewart	177	411	475	-
Saturday	Swatragh	700	420	464	-
	Omagh	440	432	456	-
Monday	Massereene	627	450	533	-
Tuesday	Saintfield	672	420	480	-
	Rathfriland	409	420	465	433
Wednesday	Ballymena	1355	400	484	420
	Enniskillen	828	428	492	-
	Armoyn	294	400	500	-
	Markethill	1080	410	452	-

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