

CATTLE TRADE UNDER PRESSURE

The deadweight cattle trade has continued to come under pressure this week with base quotes for U-3 grading prime cattle coming back to 308-318p/kg. This further decline in base quotes this week brings base quotes to their lowest recorded level since May 2016

The beef market across the EU has come under severe pressure due to the Covid-19 crisis. The loss of key food service and catering markets for beef in particular have had a negative impact on the trade and created carcass balancing issues for processors. Food service markets provide a valuable

outlet for high value cuts in particular and there has been a notable drop in demand for these products as a result of the ongoing Covid-19 restrictions.

Reports have indicated that some of these higher value beef cuts have been put into cold storage while some has been redirected to other less valuable market outlets. This shift in market demand combined with a reduction in the value of fifth quarter products have been key contributory factors in the recent downturn in the deadweight beef trade.

While there was an initial spike in demand for beef from the retail sector due to consumers panic buying this has now levelled off with reports indicating that demand for beef is returning to more normal levels. While the increase in demand for beef has been welcomed over the last few weeks the increase has not been enough to offset the loss of demand from the food service market.

Deadweight prices

Due to the time lag between cattle being bought, processed and then price reported the downturn in the deadweight trade for prime cattle is only now being reflected in official figures both here in Northern Ireland and across the rest of the European Union.

335.2p/kg with notable decreases in prices reported in all of the regions but particularly in the Midlands and Southern England where prices were back by 8-9p/kg.

In the Ireland last week the R3 steer price was back the equivalent of 10.6p/kg to 303.3p/kg. This is the third consecutive week in which it has declined in sterling terms and widens the differential in R3 steer prices with Northern Ireland to 25.6p/kg.

R3 steer Prices w/e 11/04/2020

NI: 328.9p/kg -5p/kg
GB: 335.2p/kg -6.1p/kg
ROI: 303.3p/kg -10.6p/kg

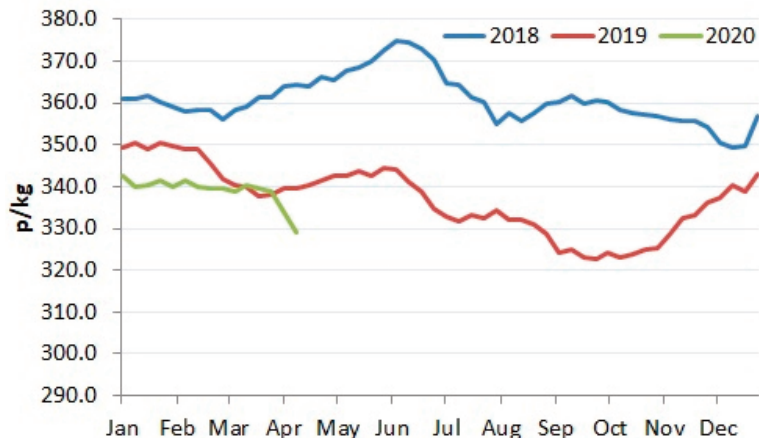
The R3 steer price in Northern Ireland last week was back by a further 5p/kg to 328.9p/kg which brings the reported price to its lowest level since November 2019 however with further reductions in base quotes reported prices are expected to be back further next week.

The R3 steer price in Great Britain last week was back by 6.1p/kg to

EU reported prices

Deadweight prices have also recorded declines in the EU with an average R3 heifer price of 353.1c/kg (312.1p/kg) last week. This was back by 4.4c/kg from the previous week and was the sixth consecutive week in which the R3 heifer price has recorded a decline. While deadweight heifer prices declined in almost all EU countries last week the strongest declines were recorded in Ireland, Germany and Denmark.

Figure 1: R3 steer prices in Northern Ireland 2018-2020.
Source: LMC Deadweight Cattle Price Reporting (p/kg)



STRONG COMMUNICATIONS ARE VITAL IN A CRISIS



International Meat Secretariat

As a member of the International Meat Secretariat (IMS), LMC has been actively engaging in weekly global zoom meetings of the IMS Marketing and Communications Forum. These meetings enable members from around the world to share information and to gain a valuable insight into what is happening in key markets across the world.

At the last meeting of the Forum Julia Glotz (ex-Managing Director of The Grocer magazine in UK) presented five guiding principles for communicating during the Covid-19 crisis and some thoughts around what consumers and media are looking for during this difficult time

Communication is not a tap you can turn on as and when you please. You need to put in consistent effort. You need to build relationships with journalists and media. You need to educate consumers and build up the understanding of your sector.

Julia Glotz

1. Acknowledge what's happening: Acknowledging something different is going on through your communication and social media channels is important.

A 'business as usual' approach can be just as tone-deaf as an ill-judged message.

2. Be useful to your customers and peers:

Solving consumers problems should be a key focus. Look at how their lives have changed, what they are worried about and how can you provide reassurance? This is particularly important for the red meat sector when addressing and communicating about urgent issues such as carcass balance.

3. Explain what you're doing:

There is a big opportunity for the red meat sector and the food industry as a whole to enhance consumer understanding of food production. Given the increased interest among consumers in how supply chains work and also consumer concerns about food security we have the opportunity to provide clear, detailed, fact based information about our industry.

4. Put a human face to your response:

There are some stories that trade associations cannot tell, equally we can't rely on farmers to do all the heavy lifting. We need to put a personal touch to COVID-19 responses as people are looking to connect with a person, not a carefully worded corporate statement.

5. Celebrate others:

"The meat industry, more so than

others, has a tendency to be very crisis-driven in its communications. When things are going well, you're very quiet. However when things aren't going well, there's a problem or crisis, you want to have a voice." Organisations should focus on collaboration and mutual support and acknowledge when others are doing something worthwhile.

LMC concurs with much of what Julia Glotz outlined in her presentation and with so many people spending more time at home during the Covid-19 crisis LMC has been significantly energising its communication efforts.

LMC has enhanced communications through our social media channels in particular. This has included online demonstrations of easy to cook beef and lamb recipes for consumers to make at home. This has given us the opportunity to communicate key messages to local consumers and help them engage positively with the beef and lamb industry at this time.

LMC has also been very vocal about the importance of key workers in the farming and food industry supply chains and their vital contribution to the health and well-being of society and national food security in particular. LMC will continue to engage with and support all of our stakeholders in any way we can through this difficult and rapidly evolving situation.

REDUCTION IN YOUNG BULL THROUGHPUT

During the first three months of 2020 there were 8,424 young bulls processed in Northern Ireland and these have accounted for seven per cent of the total prime cattle kill in the region.

In the same period in 2019 there were 9,829 young bulls processed in Northern Ireland plants, accounting for nine per cent of total prime cattle throughput. Overall there were 1,405 fewer young bulls processed in local plants during the first quarter of 2020 when compared to the same period in 2019.

The average weekly young bull throughput in Northern Ireland during quarter 1 2020 was 648 head, back from 756 head in the same period in 2019.

While the young bull kill has declined in local plants there has been an increase in the total steer kill. During the first quarter of 2020 43,870 steers passed through local plants, up from 41,763 head during the corresponding period in 2019. The accounts for an additional 2,107 steers year on year.

Source

While the overall number of young bulls being slaughtered has declined there has been no change in the source of young bulls being presented for

slaughter. Approximately 40 per cent of young bulls were of suckler origin, 20 per cent beef sired from the dairy herd and the remaining 40 per cent are dairy sired during the first three months of 2020. This was similar to previous years.

Age at slaughter

During the first quarter of 2020 the average age at slaughter of price reported young bulls was 16.2 months (493 days), back from 16.5 months (503 days) in the same period in 2019. The majority of market outlets require young bulls to be aged under 16 months with penalties for animals that fail to meet this criteria.

Carcass weights

The average carcass weight of young bulls processed in Northern Ireland during the first three months of 2020 was 340kg, up 3kg from the 337kg recorded in the same period in 2019.

During the first quarter of 2020 57 per cent of price reported young bulls produced carcasses within the desired 280-380kg weight range while a further eight per cent of carcasses were between 380-400kg.

Young bull with carcasses over 400kg accounted for 17 per cent of price reported young bulls while 19 per cent of young bulls produced carcasses below the desired 280kg.

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
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 13/04/20	Next Week 20/04/20
Prime		
U-3	314 - 320p	308 - 318p
R-3	308 - 314p	302 - 312p
O+3	302 - 308p	296 - 306p
P+3	254 - 262p	248 - 260p
	Including bonus where applicable	
Cows		
O+3 & better	224 - 230p	224 - 230p
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

The deadweight cattle trade came under pressure this week with base quotes from the major NI processors for in spec U-3 grade prime cattle ending this week ranging from 308-318p/kg. Similar quotes are expected for early next week.

The trade for good quality O+3 cows remained steady with base quotes ending this week ranging from 224-230p/kg with similar quotes expected for next week.

Northern Ireland cattle throughput figures for the w/e 11 April 2020 were unavailable at time of publication.

Imports from ROI and GB for direct slaughter are continuing at low levels to NI plants. Last week a total of 16 prime cattle and 22 cows were imported from ROI with no cattle imports from GB to NI for direct slaughter. Exports from NI to ROI for direct slaughter last week consisted of six prime cattle and 30 cows while no cattle made the journey to GB for direct slaughter.

Last week the NI deadweight cattle prices came under pressure across all of the reported grades. The average steer price last week was back by 6.8p/kg to 318.2p/kg while the R3 steer price decreased by 5p/kg to 328.9p/kg. Meanwhile the average heifer price in NI last week was back by 7.8p/kg to 320.3p/kg with a stronger decrease reported in the R3 heifer price of 10.9p/kg to 324.8p/kg. The average young bull price in NI last week was back over 9p/kg to 296.8p/kg while the R3 young bull price decreased by 7.6p/kg to 312.1p/kg. The average cow price in NI last week recorded a decrease of 11.2p/kg to 212.4p/kg while the O3 cow price came back by 10p/kg to 232.9p/kg.

In GB last week the deadweight cattle trade also came under pressure across all of the reported grades. The average steer price was back by 6.9p/kg to 329.7p/kg while the R3 steer price decreased by over 6p/kg to 335.2p/kg. The differential in R3 steer prices last week between NI and GB was 6.3p/kg in the same week in 2019 the R3 steer differential was 7.6p/kg. The average heifer price in GB last week was back by 8p/kg to 328.7p/kg while the R3 heifer price decreased by 4.9p/kg to 334.4p/kg. This puts the differential in R3 heifer prices last week between NI and GB at 9.6p/kg in the corresponding week in 2019 it was 8.8p/kg. The average cow price in GB last week recorded a decrease of 2.5p/kg to 209.3p/kg while the O3 cow price came back by 3.7p/kg to 235.8p/kg.

In ROI last week deadweight cattle prices also came under pressure across all of the price reported grades. The R3 steer price in ROI was the equivalent of 303.3p/kg, back by 10.6p/kg from the previous week, which puts the differential between NI and ROI at 25.6p/kg. The R3 heifer price was also back by 9.9p/kg to the equivalent of 308.7p/kg. This puts the differential between NI and ROI at 16p/kg. The O3 cow price in ROI last week decreased by the equivalent of 9.7p/kg to 220.6p/kg.

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

W/E 11/04/20	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	328.2	310.4	344.2	343.1	338.6	334.2	340.8
	R3	328.9	303.3	345.8	342.4	330.1	324.8	335.2
	R4	326.0	304.5	348.4	350.2	331.6	326.8	343.3
	O3	317.4	290.3	331.4	315.0	305.8	304.3	310.6
	AVG	318.2	-	343.3	335.0	320.7	315.6	329.7
Heifers	U3	330.6	324.7	350.4	347.9	343.4	333.1	344.4
	R3	324.8	308.7	343.2	339.4	332.5	325.8	334.4
	R4	323.3	309.7	347.1	345.2	332.5	326.0	340.3
	O3	318.3	293.8	336.1	306.1	303.0	303.9	306.9
	AVG	320.3	-	344.2	332.6	320.1	312.2	328.7
Young Bulls	U3	313.1	293.9	341.2	319.7	326.4	327.3	332.3
	R3	312.1	284.8	329.5	315.6	320.4	315.0	320.1
	O3	296.3	270.7	299.0	285.9	295.7	320.0	294.4
	AVG	296.8	-	315.3	300.2	306.8	315.2	308.6
Prime Cattle Price Reported	4,663	-	6,199	6,195	6,867	3,786	23,047	
Cows	O3	232.9	220.6	239.5	240.5	231.4	231.2	235.8
	O4	235.3	221.7	245.0	240.4	235.1	226.4	236.3
	P2	192.5	197.0	180.2	195.5	188.8	187.4	189.4
	P3	215.6	210.9	194.7	211.7	203.9	208.2	205.6
	AVG	212.4	-	234.6	222.1	201.8	201.8	209.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.85p 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

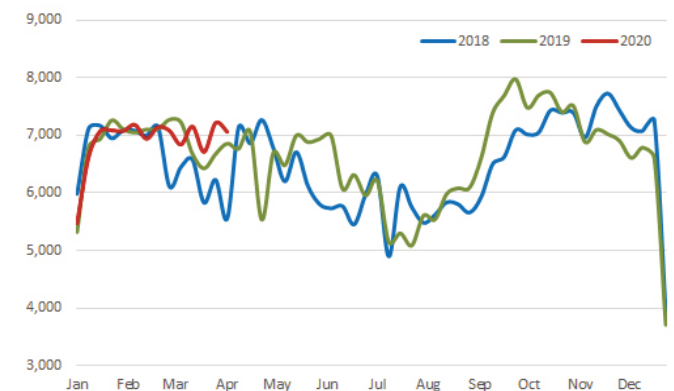
W/E 11/04/20	Steers	Heifers	Young Bulls
U3	326.9	329.4	312.4
R3	325.6	323.6	312.6
O+3	315.7	319.0	301.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 11/04/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	131.2	141.8	149.1	171.4
P2	150.6	170.1	189.9	205.1
P3	180.0	188.2	209.1	218.2
O3	-	211.0	229.1	233.4
O4	-	-	226.2	235.5
R3	-	-	-	257.7

Figure 2: Prime cattle throughput in Northern Ireland 2018-2020



SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 13/04/20	Next Week 20/04/20
Hoggets up to 22kg	450-460p	460-470p
Spring Lambs up to 21kg	480p	490p

REPORTED SHEEP PRICES

(P/KG)	W/E 28/03/20	W/E 04/04/20	W/E 11/04/20
NI D/W Spring Lambs	-	470.4	466.2
NI D/W Hoggets	460.0	414.7	434.5
GB D/W Spring Lambs	-	489.8	509.0
GB D/W Hoggets	516.6	439.9	457.6
ROI D/W	492.3	450.3	479.4

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 improved as the week progressed and ended this week ranging from 480-490p/kg paying up to 21kg. Quotes next week for hoggets are expected to range from 460-470p/kg up to 22kg with spring lambs in the region of 490p/kg up to 21kg.

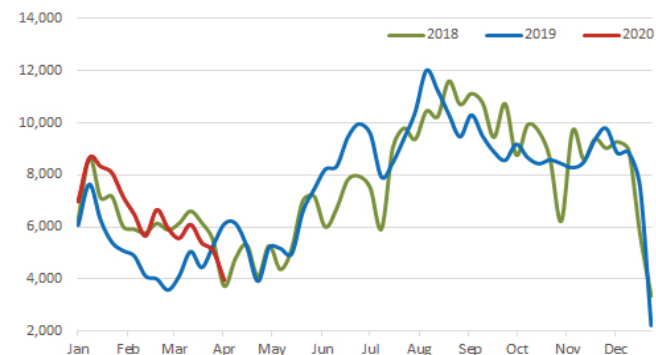
Northern Ireland hogget/lamb throughput figures for the w/e 11 April 2020 were unavailable at time of publication. Exports of lambs/hoggets from NI to ROI for direct slaughter last week increased by 561 head to 4,382 head. In the corresponding week last year 4,457 lambs/hoggets were exported to ROI for direct slaughter.

The average deadweight hogget prices across the regions have strengthened last week when compared to the previous week. The average deadweight hogget price in NI last week was 434.5p/kg, an increase of 19.8p/kg. Meanwhile increasing numbers of spring lambs were reported last week with an average NI deadweight price of 466.2p/kg. In ROI last week the hogget price reported the strongest increase, up by the equivalent of 29.1p/kg to 479.4p/kg. While in GB the hogget price last week was up by 17.7p/kg to 457.6p/kg. A small number of spring lambs were reported last week with an average GB deadweight price of 509p/kg.

Marts Update

The majority of local beef and sheep marts continue to remain closed in response to the ongoing **Covid-19** outbreak across the province. Some marts commenced online sales this week although most remain closed for business. The Northern Ireland Livestock Auctioneers Association (NILAA) is understood to be liaising with DAERA about the possibility of opening marts with stringent conditions in place. LMC will begin to publish livestock cattle and sheep information once the marts open again for business.

Figure 3: Lamb/Hogget throughput in Northern Ireland 2018-2020



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