

# NI DEADWEIGHT CATTLE PRICES COME UNDER SEVERE PRESSURE

Base quotes from the major NI beef processors have held steady this week with the majority of plants quoting in the region of 314-316p/kg for in-spec U-3 grading steers and heifers.

This steadying of quotes has followed on from several weeks of downward pressure on the beef trade due to the ongoing Covid-19 pandemic. The almost complete loss of the food service market and devaluation of the fifth quarter in particular have been key drivers behind the decline in the beef trade and while increased retail demand has been welcomed it has not been enough to offset the loss of other market outlets.

The average R3 steer price in NI last week was 322.4p/kg, back 0.7p/kg from the previous week. The R3 steer price has fallen by 20p/kg from the first week of 2020 when the R3 steer price

was 342.5p/kg. This decline by 20p/kg accounts for a £70 decline in the value of a 350kg steer carcass.

However it is worth noting that before the onset of Covid-19 beef producers in NI were already experiencing severe profitability challenges with deadweight prices already under pressure as a result of strong supplies of prime cattle for slaughter, heavier carcass weights and relatively weak consumer demand.

**Figure 1** displays R3 steer prices in NI during 2020 against the rolling three and five year average R3 steer prices. As indicated in the chart R3 steer prices during the early part of 2020 were already operating below the averages and the impact of Covid-19 has placed further severe downward pressure on deadweight prices.

## Private Storage Aid

In recognition of the severe disruption to the beef market due to the Covid-19 pandemic the EU has opened a Private Storage Aid Scheme which will allow processors to place produce into cold storage for a period of time. It is hoped these measures will restore some level of market equilibrium with the scheme due to be open for applications early next week.

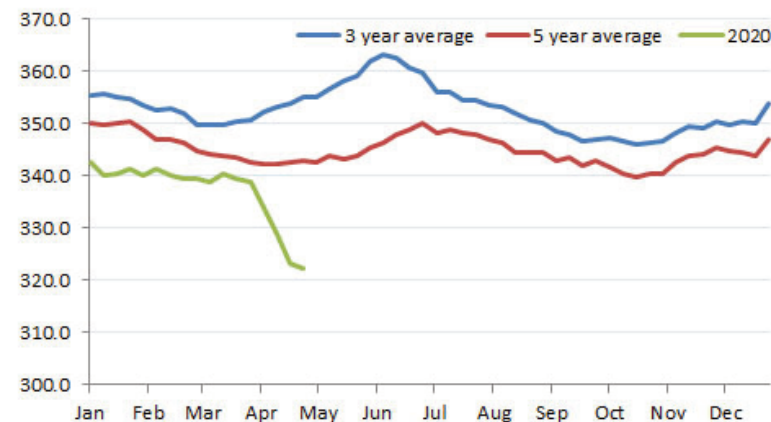
### UPDATED BEEF PROPOSAL

EC proposal for Private Storage Aid for beef hindquarters– aid for an estimated volume of 25,000 t of fresh or chilled meat of bovine animals aged 8 months or older to be stored for minimum 3 months to maximum 5 months.

Total budget: €26 million

Member States had asked to extend the scope of the aid for beef to boneless

**Figure 1: R3 steer prices in NI during 2020 to date vs the rolling three and five year average R3 steer prices for the region** Source: LMC Price Reporting.



cuts but the European Commission has refused on grounds of limited budget and has stated that “limiting the scheme to hindquarters is the best

compromise between targeting high value cuts (steaks) and keeping the measure controllable and proportionate”

# DECLINE IN UK BEEF IMPORTS DURING JANUARY AND FEBRUARY

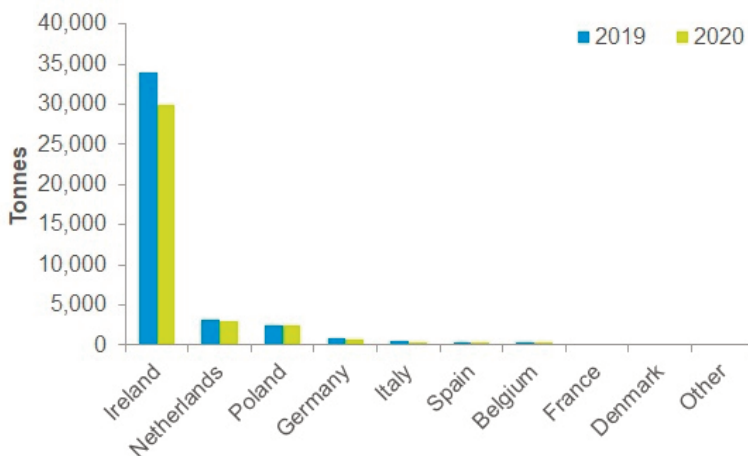
During the first two months of 2020 the UK imported 38,215 tonnes of beef according to the latest available data from HMRC. This is a 13 per cent reduction from the 43,971 tonnes imported during the corresponding period last year.

Imports from the EU have accounted for the largest majority of beef imports with 37,283 tonnes imported during the first two months of the year. This accounted for 98 per cent of all beef imports during the 2020 period and was back 12 per cent from 2019 levels when 42,301 tonnes were imported from the region.

Figure 2 displays imports from the EU by country during the first two months of 2020 and the corresponding two month period in 2019. As outlined in the chart Ireland is the largest source of beef for the UK with 29,841 tonnes imported during the first two months of 2020. This was back by 12 per cent from the same period in 2019 and was the lowest level of import recorded since 2017.

The Netherlands is the second largest source of beef imports for the UK although the volumes involved are relatively small. During the first two months of 2020 2,927 tonnes of beef were imported from the Netherlands, accounting for eight per cent of total imports from the EU.

Figure 2: UK beef imports from EU countries during January and February 2020 and the corresponding period in 2019. Source HMRC/AHDB



It should be noted that due to many of the major UK beef processing companies having business interests in both the UK and Ireland some beef imported from Ireland by the UK may be processed and returned to Ireland for further distribution. During the first two months of 2020 6,733 tonnes of beef were exported from the UK to Ireland, accounting for forty per cent of total UK beef exports to the EU.

Poland is the third biggest source of imported beef for the UK with 2,521 tonnes imported during the first two months of 2020. This was up marginally from the same period in 2019 and

accounted for seven per cent of total beef imports from EU countries.

### Non-EU beef imports

Imports of beef from non-EU countries totalled 932 tonnes during the first two months of 2020 and accounted for just two per cent of total beef imports for the period. This was back by 44 per cent from the 1,671 tonnes imported in the same period in 2019.

Imports from South American countries accounted for 75 per cent of the beef imported from non-EU sources with 697 tonnes imported from the region during the 2020 period. This was back by almost 40 per cent from year earlier levels.

# SMALLER CATTLE KILL BUT WEAKER DEMAND

Prime cattle throughput in local plants last week totalled 6,209 head. This was an increase of 341 head from the previous week and is 674 head above the 5,535 prime cattle processed locally during the corresponding week last year.

Reports from the processors have reported tighter supplies of prime cattle and this is supported by APHIS figures which indicated that there was a six per cent reduction in the number of cattle for beef production on NI farms aged 18-24 months at the end of March this year when compared to March 2019 figures.

Under normal trading circumstances

Figure 3: Weekly prime cattle slaughtering in NI during 2019 and 2020 Source: DAERA



this tightening in supplies of prime cattle for slaughter would encourage an improvement in deadweight cattle prices however with the ongoing Covid-19 pandemic creating huge disruption to normal trading patterns this has not been the case.

The loss of the foodservice market, which accounted for approximately 35-40 per cent of beef demand in volume terms, has created huge difficulties for local beef processors in finding market outlets for beef. Demand from the market for steaks and other high value cuts in particular has been very poor although there has been some increase in demand from retail customers.

## 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 27/04/20	Next Week 04/05/20
<b>Prime</b>		
U-3	308 - 318p	316 - 320p
R-3	302 - 312p	310 - 314p
O+3	296 - 306p	304 - 308p
P+3	248 - 260p	256 - 262p
	Including bonus where applicable	
<b>Cows</b>		
O+3 & better	224 - 230p	230 - 236p
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 for U-3 grade prime cattle this week ranged from 308-318p/kg with the majority of plants quoting 314-316p/kg for steers and heifers. Quotes for good quality O+3 grade cows ranged from 224-230p/kg. Quotes are expected to improve for all types of cattle early next week with reports of a tightening in cattle availability for slaughter.

Throughput of prime cattle in NI plants last week totalled 6,209 head an increase of 341 head when compared to the previous week. This is also up 674 head from the 5,535 prime cattle processed in the same week in 2019. Cow throughput in NI last week increased by 270 head to 1,342 from the previous week. This is an increase of 258 cows compared to the corresponding week last year when 1,084 cows were processed locally.

Imports of prime cattle from ROI for direct slaughter in NI plants last week totalled 129 head with 11 cows also imported. For the fourth consecutive week there have been no cattle imports from GB for direct slaughter in NI. Meanwhile cattle exports from NI for slaughter in ROI plants consisted of five prime cattle and 44 cows last week and for the fifth consecutive week no cattle made the journey from NI to GB for direct slaughter.

The deadweight cattle trade in NI continued to come under pressure last week with the average steer price back 0.6p/kg to 314.7p/kg while the R3 steer price was back by a similar margin to 322.4p/kg. The average heifer price in NI last week was 316.7p/kg, back 2.3p/kg, while the R3 heifer price was 323p/kg, back 3.5p/kg from the previous week. The average young bull price decreased marginally to 297p/kg with the R3 young bull price decreasing by just over a penny to 313p/kg. Meanwhile the average cow price in NI last week was up by 2.1p/kg to 211.2p/kg with the O3 cow price back just over a penny to 234p/kg.

The deadweight prime cattle trade generally came under pressure in GB last week. The average steer price came back by just under a penny to 322.8p/kg with the average R3 steer price back by a similar margin to 328.1p/kg when compared to the previous week. All of the GB regions recorded declines in R3 steers prices with the strongest decline in Scotland (-2.7p/kg). The average heifer price in GB last week was back by 3p/kg to 323p/kg while the average R3 heifer price was marginally up to 329.3p/kg. There were variations across the regions in the R3 heifer price with prices generally holding steady in Scotland and the Midlands while an increase was reported Northern England (+1.7p/kg) and a decline of 0.8p/kg in Southern England.

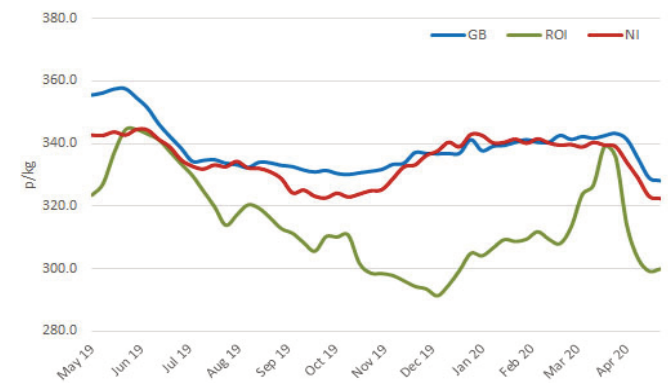
In ROI last week the deadweight prime cattle trade reported an improvement in prices in sterling terms, primarily due to a strengthening in the euro. The R3 steer price last week was up by the equivalent of 0.7p/kg to 299.9p/kg with the R3 heifer price increasing marginally to 304.4p/kg from the previous week. Prime cattle throughput in ROI last week totalled 20,326 head. This brings the total number of prime cattle processed to date in ROI to 446,151 head, back four per cent on the same period in 2019.

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

	W/E 25/04/20	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	322.6	308.0	336.6	333.4	330.4	329.1	332.9
	R3	322.4	299.9	338.2	333.4	324.7	320.6	328.1
	R4	322.3	301.2	340.8	342.4	324.7	321.7	336.3
	O3	313.9	287.0	319.6	310.0	300.4	300.6	305.2
	AVG	314.7	-	335.5	327.3	313.2	312.7	322.8
Heifers	U3	326.6	318.2	343.8	341.8	333.7	334.6	338.3
	R3	323.0	304.4	340.3	334.0	326.9	322.0	329.3
	R4	321.4	305.0	343.7	332.7	326.9	322.8	334.1
	O3	313.2	290.0	319.4	311.3	300.1	297.1	304.0
	AVG	316.7	-	340.4	326.2	313.8	309.2	323.0
Young Bulls	U3	310.7	295.7	334.5	318.3	325.5	323.9	327.7
	R3	313.0	286.1	329.2	316.6	316.7	313.7	319.6
	O3	292.9	268.1	296.3	287.7	287.4	299.8	290.7
	AVG	297.0	-	324.2	305.1	302.3	314.4	311.4
Prime Cattle Price Reported	5,183	-	6,424	6,514	6,645	4,886	24,469	
Cows	O3	234.0	219.6	237.7	243.5	236.9	231.2	237.9
	O4	234.9	220.0	244.0	241.5	237.2	222.8	235.9
	P2	189.3	194.2	182.1	204.2	187.5	188.6	190.1
	P3	213.4	209.6	201.5	211.8	204.3	208.6	206.1
	AVG	211.2	-	231.1	226.3	203.0	201.4	210.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.62p 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

Figure 4: R3 steer prices in NI, ROI & GB from May 2019 to April 2020  
Source: LMC, DAFM & AHDB



### REPORTED NI CATTLE PRICES - P/KG

W/E 25/04/20	Steers	Heifers	Young Bulls
U3	321.4	325.9	310.6
R3	319.2	321.4	312.8
O+3	311.2	313.1	296.3

\*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

W/E 25/04/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	130.1	142.4	147.2	156.4
P2	154.0	173.8	190.7	200.6
P3	-	178.6	206.6	215.2
O3	-	202.0	224.4	235.1
O4	-	206.0	211.5	236.1
R3	-	-	-	253.4

# SHEEP TRADE

## NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 27/04/20	Next Week 04/05/20
Hoggets up to 22kg	470-480p	440-450p
Spring Lambs up to 21kg	510-520p	470-490p

## REPORTED SHEEP PRICES

(P/KG)	W/E 11/04/20	W/E 18/04/20	W/E 25/04/20
NI D/W Spring Lambs	466.2	492.2	516.2
NI D/W Hoggets	434.5	464.9	481.6
GB D/W Spring Lambs	509.0	506.7	516.4
GB D/W Hoggets	457.6	457.8	463.8
ROI D/W	479.4	493.6	517.7

## Deadweight Sheep Trade

Quotes for hoggets and spring lambs from the major processors started to come under pressure this week. Quotes for R3 grade hoggets ended this week ranging from 440-470p/kg up to 22kg with plants quoting 440-450p/kg for early next week. Quotes for spring lambs ended this week ranging from 480-500p/kg up to 21kg with quotes of 470-490p/kg expected early next week.

The proportion of spring lambs in the slaughter mix has continued to increase and accounted for over a half of price reported sheep in NI last week. Hogget/lamb throughput in NI last week totalled 4,130 an increase of 293 when compared to the previous week. A further 3,002 hoggets/lambs were exported to ROI for direct slaughter last week this was back 463 head when compared to the previous week.

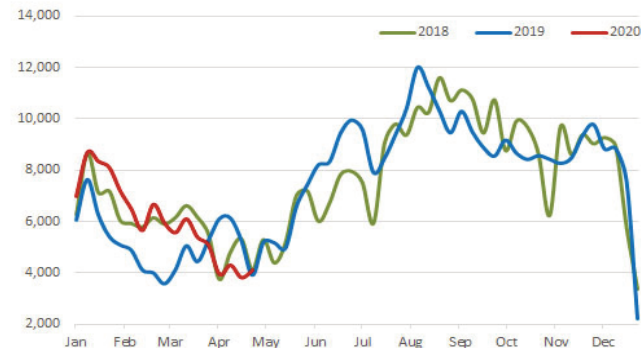
The average deadweight hogget price in NI last week increased by 16.7p/kg to 481.6p/kg from the previous week. In the corresponding week in 2019 the deadweight hogget price was 442.9p/kg. The NI spring lamb deadweight price increased by 24p/kg to 516.2p/kg last week and in the same week last year the NI spring lamb price was 483.5p/kg.

The combined lamb/hogget price in ROI last week was up by the equivalent of 24.1p/kg to 517.7p/kg. Meanwhile in GB the hogget price increased by 6p/kg last week to 463.8p/kg. A small proportion of spring lambs were reported in GB with a deadweight price of 516.4p/kg.

## Marts Update

Local beef and sheep marts have started to reopen after they closed due to the **Covid-19** outbreak across the province with strict protocols in place. Markethill was the first to reopen on Tuesday with producers selling animals asked to drop their stock off and leave. Buyers were assigned spots two metres apart in the sale ring and were also supplied with gloves and hand gel. LMC will begin to publish livestock cattle and sheep prices once the information becomes available.

**Figure 5: Lamb/Hogget throughput in Northern Ireland 2018-2020**  
Source: DAERA



Information supplied by LMC / DAERA/ AHDB/ DAFM

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## BEEF WEEK 2020: DIGITAL TECHNOLOGY MAKES ALL THE DIFFERENCE

Northern Ireland Beef Week has just celebrated another milestone year. Running from April 23 to April 30 the campaign, yet again, succeeded in highlighting the many benefits of including beef in a balanced diet.

Yes, the organisers were slightly hampered in terms of what they could do because of the Covid-19 restrictions. But, as we all know, there are now many ways available of widely communicating a good story to the public at large.

Beef Week puts a strong focus on the work of farmers and processors in producing a meat that is of the highest quality; one that can be enjoyed in so many ways all the year round. The initiative also serves to highlight the importance of our Northern Ireland Farm Quality Assurance (NIFQA) scheme, which has served to consistently endorse the production standards achieved on local livestock farms.

As is traditionally the case, the Beef Week campaign was co-ordinated by the LMC with the support of the Ulster Farmers' Union. This year's initiative was digitally driven, inspiring shoppers with easy and delicious beef dishes with

versatile ingredients.

LMC's Education Services' Manager, Lauren Hyde, takes up the story: "The theme this year was choosing local beef and highlighting the importance of looking for the Northern Ireland Farm Quality Assured logo when purchasing beef and lamb as a guarantee of quality from farm to fork.

Throughout the week, LMC educated consumers on looking for the NIFQA logo, supporting local farmers and encouraging those staying at home to get cooking some new and tasty NIFQA beef recipes.

Lauren Hyde, LMC

"In the absence of public events, such as sampling, LMC increased its social media activities with the aim of reaching new audiences across the entirety of Northern Ireland.

"The flagship event was the BIG BEEF BBQ, held last Saturday in collaboration between LMC and UFU. This was an on-line initiative to encourage consumers to BBQ NIFQA beef and share it with others, doing the same from the safety of their own homes.

Lauren added: "The work carried out during Beef Week will lay the foundations for LMC's upcoming campaign to encourage consumers to bring the 'dining out' experience, indoors and at home."

The flagship event was the BIG BEEF BBQ reached over 21,000 people and almost 500 people attended online sharing images of what they had been cooking, across Facebook, Twitter and Instagram.

Lauren Hyde, LMC

She concluded: "The campaign will focus on inviting consumers to have 'Steakhouse Saturdays' at home, choosing valued cuts typically consumed in restaurants."

The dust has yet to settle on this year's Beef Week campaign. Current circumstances encouraged the team at LMC to make fundamental changes the way they went about organising the initiative.

We now live in truly digital age. One upside to Covid-19 is that we have all been exposed to the real power of digital communication platforms. From

a marketing point of view, digital also offers those involved a very accurate way of quantifying the impact of the strategies they put in place.

So it will be interesting to find out if Beef Week 2020 - with its very strong digital

**Image 1: The importance of looking for the Northern Ireland Farm Quality Assured logo when purchasing beef was a key focus of this years Beef Week**



focus - has managed to communicate with new consumers. If this turns out to be the case, the upside for LMC - in terms of the promotional activities the organisation carries out - will be significant.

## INTERNATIONAL MEAT INDUSTRY REMAINS UPBEAT

According to LMC Chief Executive Ian Stevenson, the annual global value of animal agriculture is set to rise from \$1 trillion to \$2trillion over the next three decades, with beef and lamb playing a key role within this growth trajectory.

Red meat consumption is set to increase significantly in countries like China. The Chinese love eating out. And, increasingly, they regard beef dishes as an exciting option in this regard. China's economy is expected to rebound quickly from the downturn caused by the Covid-19 crisis.

Ian Stevenson LMC

Beef had already been in strong demand across South East Asia due to the catastrophic impact of African Swine Fever on that entire region's pig population.

Ian went on to confirm that the final wording of export licenses, allowing the shipment of beef from the UK to China, should be finalised in the very

near future. He added: "This will allow the export of beef from Northern Ireland to China, a development that should create more opportunity for the sale of certain beef products from Northern Ireland

The evolution of the world's beef and lamb markets is an issue regularly discussed by the membership of International Meat Secretariat (IMS). It is a non-profit organisation that brings together livestock producer associations, national and regional meat associations, meat exporter associations, meat processing companies, government, and corporate partners from around the world.

Ian Stevenson again: "LMC has been a member of IMS for many years. Our active involvement with the organisation has allowed us to gauge trends within international markets while also networking with key players within the meat sector on a global basis.

"Despite the challenges posed by the Covid-19 lockdown, it has very much

been business as usual for IMS. In recent weeks a series of video conferences has allowed leading representatives and opinion formers from within the international meat industry discuss their views on the future of global meat markets to IMS members.

"Issues discussed included the potential of the Chinese market and the growing demand for animal protein over the next number of years. As levels of consumer affluence continue to grow in so many countries around the world, demand for all sources of animal protein will continue to strengthen.

Ian concluded: "One of the most encouraging items discussed at the recent IMS seminars is the growing recognition at consumer level that animal agriculture is a vitally important driver in maintaining the long terms sustainability of agriculture as a whole and I am confident that we will read and hear of a lot more about this during the period ahead."

## IN MY OPINION....RICHARD HALLERON

It now seems obvious to me that placing a greater focus on marketing the food we produce in Northern Ireland will be one important outcome of the Covid-19 crisis. And rightly so!

The most obvious way of going about this is to build on the resources that we have already have in place. And where red meat is concerned, this means giving a greater role to the Livestock and Meat Commission (LMC). No other organisation in Northern Ireland has had such a strong record in doing exactly this.

What stands out in spades, where LMC is concerned, is the trust it has garnered from all strands of society, when it comes to communicating the facts in relation to beef and lamb production.

The most obvious example of this is the strong working relationship that LMC has with schools and teachers province-wide. Had it not been for the Covid-19 lock down restrictions, 2019/20 would have been a record year, where LMC hosted beef and lamb school cookery

demonstrations are concerned.

It goes without saying that government will have to seriously look at how the UK red meat industry and its promotional agencies can get access to at least an equivalent scale of resources that are readily available to EU counterparts for the marketing and promotion of EU agricultural products on domestic and export markets. But there will also be an onus on farmers and the food industry to play their part, where this matter is concerned.

In the case of the LMC, both the farmer and processor levy has remained at its current level for many years. Surely it's time to review this issue. In my opinion, LMC has long proved its worth as a marketing body on behalf of our red meat sectors and If the organisation is asked to increase the level of this activity, then those who benefit directly - primary producers and meat companies - should be expected to invest in meaningful way.



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