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STRONG COMPETITION FOR PRIME CATTLE IMPACTING DEADWEIGHT TRADE

Base quotes from the local processing plants towards the end of this week increased to 330-336p/kg for U-3 grading steers and heifers. The majority of plants are quoting towards the upper end of this scale with some reports indicating that higher prices are available than these quotes suggest.

With tighter supplies of prime cattle available for slaughter over the last few weeks reports have indicated strong competition between the major processors for the cattle available, particularly for better quality animals that meet current market specifications.

Prime cattle throughput during the first quarter of 2020 was similar to the corresponding period in 2019, despite forecasts last year indicating that a reduction in prime cattle throughput was expected.

Some producers housed cattle heavier than normal last autumn and opted to push cattle to finish slightly earlier than normal. Cattle killed during the first quarter of 2020 were slightly younger and heavier than previous years. This has meant these cattle were gone out of the system earlier than expected which has contributed to the current tightening in supplies.

In addition to this earlier slaughter of some cattle reports have also indicated that some producers have opted to delay finishing cattle this year and instead have turned them back to grass for finishing later in the year. This has further contributed to the current tight supplies of prime cattle for slaughter and the recent improvement in the local deadweight cattle trade as a result.

Last week there were 4,857 prime cattle killed in local beef processing plants, back 968 head from the previous week. This was the lowest weekly throughout in NI since Christmas week 2019. Tighter prime cattle supplies for slaughter have also been reported in GB although the latest weekly slaughter figures were not available at time of publication.

TIGHTER CATTLE SUPPLIES

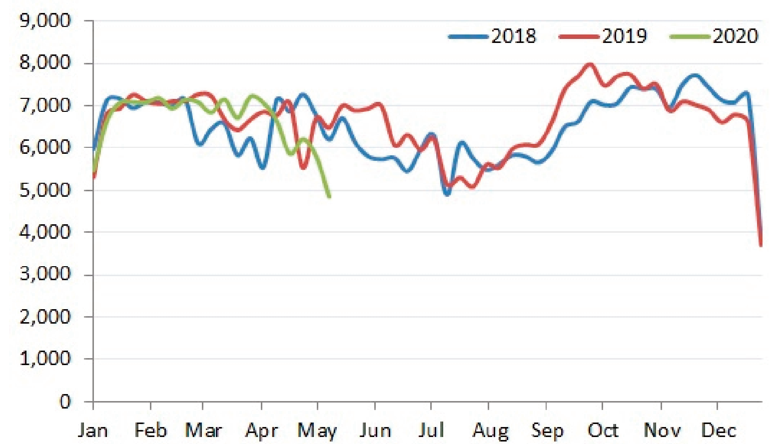
There has been a significant tightening in prime cattle availability for slaughter in NI during the last few weeks with tighter supplies also being reported in GB and ROI.

Prime cattle supplies for slaughter have also tightened in ROI with 20,031 prime cattle killed in the region last week. This was back almost 600 head from the previous week and well below the 22,195 head killed in the same week last year.

The average R3 steer price in NI last week was 329.9p/kg, up 4p/kg from the previous week. However while the increase in deadweight prices has been welcomed the trade remains behind previous years. In the same week last year the average R3 steer price in NI was 342.5p/kg.

The average R3 steer price in GB last week was up marginally to 331p/kg. This puts the differential between the two regions at 1.1p/kg or just under £4 on a 350kg carcase last week. In the corresponding week last year the differential in R3 steer prices between NI and GB was 13.7p/kg or £48 on a 350kg carcase.

Figure 1: Weekly prime cattle throughput in Northern Ireland 2018-2020
Source: DAERA



INCREASE IN CATTLE IMPORTS FOR DIRECT SLAUGHTER

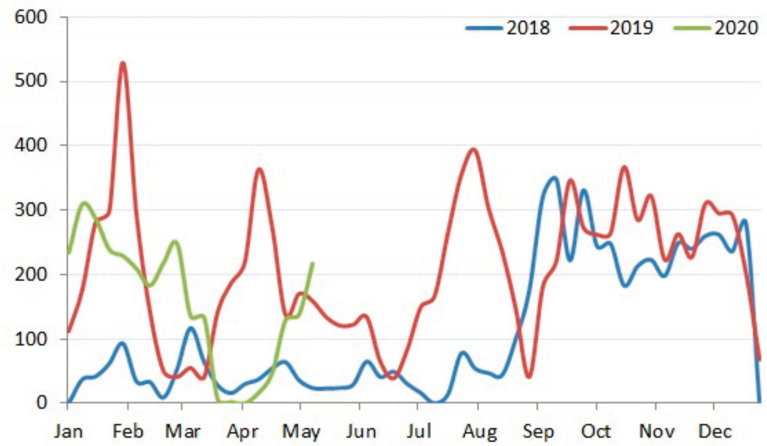
Last week there were 217 prime cattle imported from ROI for direct slaughter in local processing plants. This was an increase of 79 head from the previous week and the highest weekly level of prime cattle import since the last week of February 2020.

Prime cattle imports from ROI have steadily increased in recent weeks and are currently operating just ahead of the corresponding period last year as outlined in Figure 2 below. Last week was the fifth consecutive week in which imports for direct slaughter from ROI have recorded an increase. Much of this increase will have been in response to a tightening in prime cattle availability for slaughter in Northern Ireland.

Year to date

During 2020 to date there have been 2,977 prime cattle imported from ROI for direct slaughter in local plants. This was back from 3,674 head in the corresponding period in 2019 however was well ahead of the 833 prime cattle imported from the region during the same period in 2018.

Figure 2: Weekly imports of prime cattle from ROI for direct slaughter in local beef processing plants. Source: DAERA



While the number of cattle imported for direct slaughter from ROI has increased they only account for a small proportion of cattle processed by local plants. During 2020 to date cattle imported from ROI for direct slaughter accounted for just 2.4 per cent of total prime cattle throughput. This was back slightly from 3 per cent of the total prime cattle kill during the same period in 2019.

Cattle supplies

Supply and demand are the key drivers behind the level of cattle import for direct slaughter from ROI. When the availability of prime cattle in NI starts to tighten imports tend to increase and vice versa. In addition to this several of the major beef processors operating in NI also have business interests in ROI so may import cattle for slaughter in NI plants before returning the beef in carcase form to ROI for further processing.

A small number of prime cattle are also imported from GB for direct slaughter in local plants each year. There have been 98 prime cattle imported during 2020 to date, back from 266 head imported from GB during the corresponding period last year.

KEY NI SHEEP FIGURES APRIL 2019/20

	April 2019	April 2020	% Change
Sheep Prices (p/kg)			
Average Deadweight Price NI	451.0	458.4	+1.6%
Average Liveweight Price NI *	403.4	-	-
Average Weekly Price GB (D/W)	464.9	458.6	-1.4%
Average Weekly Price ROI (D/W)	461.4	486.8	+5.5%
NI Throughput			
Total Hoggets & Lambs Processed (Head)	26,665	21,023	-21.2%
Total Ewes & Rams Processed (Head)	2,642	922	-65.1%
Avg Hogget & Lambs Carcase Weight (kg)	23.5	21.9	-6.8%
Avg Ewe & Rams Carcase Weight (kg)	30.7	29.5	-3.8%
Trade (Head)			
Live Imports for Direct Slaughter	-	-	-
Live Exports for Direct Slaughter	25,329	22,347	-11.8%
Euro / Stg Exchange Rate (€ / £)	86.2	87.6	+1.6%
All NI Figures Unless Otherwise Stated			

* Please note there were no liveweight sheep prices during April 2020 due to Covid 19 restrictions at liveweight marts

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 11/05/20	Next Week 18/05/20
Prime		
U-3	322 - 330p	330 - 336p
R-3	316 - 324p	324 - 330p
O+3	310 - 318p	318 - 324p
P+3	260 - 272p	268 - 278p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 256p	248 - 265p
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 09/05/20	Steers	Heifers	Young Bulls
U3	329.7	331.9	322.8
R3	327.8	330.3	315.3
O+3	320.2	324.6	306.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 09/05/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	145.2	156.9	172.5	182.0
P2	163.9	188.2	213.6	221.4
P3	185.5	204.9	225.4	236.2
O3	-	225.8	250.2	249.7
O4	-	-	245.0	254.2
R3	-	-	-	268.8

Deadweight Cattle Trade

Base quotes from the plants this week for U-3 grading prime cattle ranged from 322-330p/kg with quotes for early next week expected to range from 330-336p/kg. Producers should use these quotes as a starting point for negotiation with higher prices available, particularly for cattle that meet current market specifications. The deadweight cow trade strengthened this week with quotes ranging from 240-256p/kg for good quality O+3 grading cows with quotes for next week ranging from 248-265p/kg.

The majority of NI processing plants have indicated a tightening in the supply of all types of cattle for processing. Prime cattle throughput last week was back from the previous week at 4,847 head. This was 25 per cent behind the same week last year when 6,480 prime cattle were processed locally. Cow throughput has also declined with 1,196 cows processed in local plants last week. This a decrease of 15.5 per cent when compared to the same week in 2019 when 1,415 cows were processed.

Imports of cattle from ROI for direct slaughter in local plants increased last week to 217 prime cattle and 32 cows with no cattle imported from GB for direct slaughter. Exports from NI to ROI for direct slaughter also increased with 12 prime cattle and 94 cows exported last week while no cattle made the journey from NI to GB for processing.

The deadweight trade for all types of cattle improved in NI across all of the grades, primarily due to a tightening in the supply of cattle. The average steer price increased by 5.4p/kg to 321.8p/kg with the R3 steer price up by 4p/kg to 329.9p/kg. The average heifer price increased by 4.3p/kg last week to 324.2p/kg while the R3 heifer price was up by 5.9p/kg to 332.5p/kg. The trade for young bulls improved in NI last week with the U3 price increasing by 7.3p/kg to 325.6p/kg. The cow trade also firmed last week with the average cow price up by 11.3p/kg to 228.7p/kg and the O3 cow price increasing by just over 8p/kg to 249.4p/kg.

Last week in GB the average steer price was marginally back to 324.3p/kg while the average R3 steer price was up by half a penny to 331p/kg. However there were variations in the R3 steer price across the regions with declines reported in Scotland (-2.9p/kg) and Northern England (-3.5p/kg) and increases reported in the Midlands and Wales (+1.9p/kg) and Southern England (+0.5p/kg). The average heifer price in GB last week was up just over a penny to 325.1p/kg while the R3 heifer price reported an increase of 1.8p/kg to 330.1p/kg. In all of the regions the R3 heifer price improved with the strongest increase in Northern England (+4.3p/kg). The cow trade also improved in GB last week with the O3 cow price up by 2.5p/kg to 246.5p/kg.

The deadweight cattle trade has also continued to firm in ROI last week with the R3 steer price up by the equivalent of 5.2p/kg to 306.1p/kg. The ROI R3 heifer price increased by 4.2p/kg to the equivalent of 308.7p/kg. This puts the differential between ROI and NI for both R3 grade steers and heifers at 23.8p/kg. The cow trade also strengthened in ROI last week with the O3 cow price up by 8.9p/kg to the equivalent of 233.4p/kg. This was 16p/kg lower than the O3 cow price price in NI.

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

W/E 09/05/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	331.7	313.7	337.3	335.3	331.0	330.7	334.2
	R3	329.9	306.1	338.9	333.6	328.5	322.7	331.0
	R4	327.0	305.4	341.6	341.4	323.9	322.1	337.2
	O3	316.5	292.1	324.8	310.5	307.1	301.0	308.4
	AVG	321.8	-	337.1	327.2	315.0	313.7	324.3
Heifers	U3	332.3	321.6	346.9	337.1	338.8	329.9	338.4
	R3	332.5	308.7	340.6	334.1	328.5	322.5	330.1
	R4	331.0	309.4	343.7	334.9	327.5	321.5	334.6
	O3	323.9	296.7	324.2	308.3	304.0	301.2	306.3
	AVG	324.2	-	340.0	327.8	317.1	312.6	325.1
Young Bulls	U3	325.6	304.0	333.1	328.1	331.9	325.0	331.8
	R3	319.6	293.8	327.7	321.1	323.2	314.2	323.6
	O3	305.1	277.6	285.3	291.5	292.4	294.9	290.1
	AVG	305.9	-	324.0	313.1	313.5	303.6	316.9
Prime Cattle Price Reported		3,984	-	6,794	6,404	6,448	4,279	23,925
Cows	O3	249.4	233.4	246.2	249.8	246.2	240.8	246.5
	O4	254.1	235.4	249.9	251.4	245.1	237.2	245.8
	P2	210.4	210.6	219.4	210.9	197.5	196.4	200.2
	P3	232.5	227.2	209.9	224.4	211.9	215.5	215.0
	AVG	228.7	-	243.7	233.7	214.4	213.0	221.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.45p 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

W/E 09/05/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	205	214	208	189	207	198
Friesians	151	172	161	130	150	140
Heifers	206	212	209	180	205	192
Beef Cows	160	205	182	133	159	146
Dairy Cows	113	129	121	82	112	97
Store Cattle (p/kg)						
Bullocks up to 400kg	223	247	235	200	222	211
Bullocks 400kg - 500kg	211	228	219	180	210	195
Bullocks over 500kg	201	208	204	180	200	190
Heifers up to 450kg	212	246	229	182	211	196
Heifers over 450kg	198	221	209	165	197	180
Dropped Calves (£/head)						
Continental Bulls	-	-	-	-	-	-
Continental Heifers	-	-	-	-	-	-
Friesian Bulls	-	-	-	-	-	-
Holstein Bulls	-	-	-	-	-	-

SHEEP TRADE

NI SHEEP BASE QUOTES		
(P/Kg DW)	This Week 11/05/20	Next Week 18/05/20
Lambs up to 21kg	480-490p	500-510p

REPORTED SHEEP PRICES			
(P/KG)	W/E 25/04/20	W/E 02/05/20	W/E 09/05/20
NI L/W Spring Lambs	-	-	465.9
NI D/W Spring Lambs	516.2	496.5	481.4
NI D/W Hoggets	481.6	462.0	-
GB D/W Spring Lambs	516.4	523.0	514.6
GB D/W Hoggets	463.8	473.8	470.9
ROI D/W	517.7	493.2	484.5

Deadweight Sheep Trade

Quotes for spring lambs continued to strengthen ending this week ranging from 490-505p/kg up to 21kg across the major NI plants. Quotes for lambs are expected to range from 500-510p/kg early next week. Lamb/hogget throughput in NI plants last week totalled 4,728 head, back marginally from the previous week. This is a decrease of 450 head when compared to the 5,178 lambs/hoggets processed locally in the same week last year. Exports of lambs/hoggets to ROI for direct slaughter last week totalled 2,850 head, an increase of 561 head from the previous week. The deadweight spring lamb price in NI last week decreased by 15.1p/kg to 481.4p/kg. Meanwhile in ROI the combined lamb/hogget deadweight price was back 8.7p/kg to the equivalent of 484.5p/kg.

Liveweight Sheep Trade

This week increasing numbers of spring lambs passed through the marts with prices improving compared to last week. In Kilrea on Monday 180 spring lambs sold from 460-510p/kg. On Tuesday in Rathfriland 380 spring lambs sold from 485-540p/kg compared to 250 spring lambs last week selling from 444-490p/kg. In Ballymena this week 640 spring lambs sold from 470-514p/kg (avg 485p/kg) compared to 404 spring lambs last week selling from 440-541p/kg (avg 455p/kg). In Markethill this week 570 spring lambs sold from 480-532p/kg compared to 300 spring lambs last week selling from 470-498p/kg. Top reported prices for cull ewes ranged from £98-163 across the marts.

LATEST SHEEP MARTS (P/KG LW)					
From: 09/05/20		Lambs			
To: 14/05/20		No	From	To	Avg
Saturday	Omagh	39	477	538	-
	Swatragh	240	430	521	-
Monday	Massereene	242	460	510	-
Tuesday	Kilrea	180	457	490	-
Wednesday	Rathfriland	380	485	540	-
	Ballymena	640	470	514	485
	Armoy	45	485	530	-
	Markethill	570	480	532	-

Strict Covid - 19 restrictions are in place across all of the livestock marts

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