

TIGHTER PRIME CATTLE SUPPLIES IN 2020

PRIME cattle throughput in Northern Ireland during 2019 totalled 344,671 head. This was a slightly stronger throughput than previous forecasts had expected.

Some changes in the levels of imports and exports for direct slaughter combined with changes to the type of prime cattle being killed locally have resulted in this higher than expected prime cattle kill. The relatively good production conditions on NI farms during summer 2019 and into the autumn will have helped improve cattle performance which may also have contributed to the higher throughput.

The stronger than expected cattle kill during 2019, particularly in the second half of the year, has contributed to the decline in the number of cattle available for slaughter on NI farms as we move into 2020.

At the end of December 2019 there were 72,589 cattle for beef production aged between 24-30 months on NI farms, back 4.2 per cent from year

earlier levels. In addition there were 194,899 cattle for beef production on NI farms aged between 18-24 months, back 5.2 per cent from 2019 levels.

Beef cattle in these two age groups will provide the bulk of prime cattle throughput in local plants during the

first half of 2020. The combined number of cattle in these age groups is 4.9 per cent lower than the same period in 2019.

Due to this reduction in beef cattle numbers on NI farms the prime cattle kill in NI is forecast to be back by

approximately 8,500 head or five per cent during the first half of the year when compared to 2019 levels, the equivalent of about one weeks total kill.

As we move into the second half of 2020 supplies of prime cattle for slaughter are forecast to show some signs of improvement, particularly in the final quarter. The most recent forecast indicates throughput will be two per cent lower than the second half of 2019.

Cattle in the 12-18 month age range at the end of December 2019 will provide the bulk of the prime cattle throughput in the second half of 2020. At the end of December there were 127,023 prime cattle on the ground in this age range. This was back marginally from December 2018 levels but 6.3 per cent lower than December 2017 levels.

Overall the prime cattle kill in NI for 2020 is forecast to be in the region of 332,000 head, back 3.7 per cent from 2019 levels. This forecast is subject to a number of assumptions including

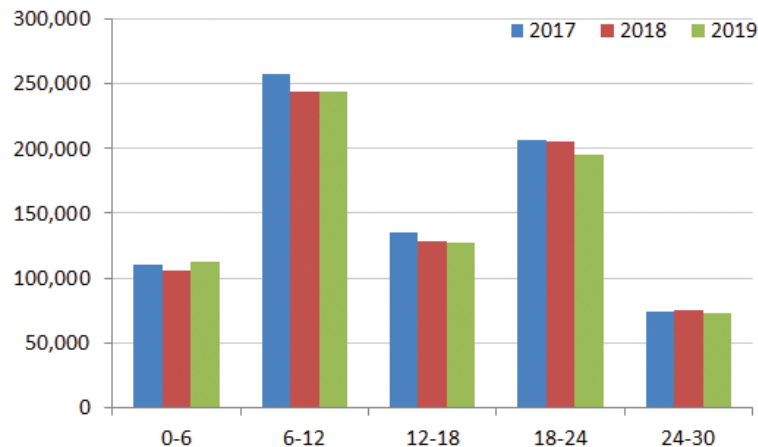
current levels of cattle imports and exports for direct slaughter continuing at similar levels.

Longer term outlook

Some recovery in beef sired calf registrations to both suckler and dairy cows during the second half of 2019 have helped to increase the number of cattle for beef production on NI farms in the 0-6 month age bracket. At the end of December 2019 there were 112,371 cattle in this age group, up 6.1 per cent from December 2018 levels.

While DAERA have not published official figures on cow numbers on farms analysis of APHIS population data has indicated a continued decline in suckler cow numbers. At the end of December 2019 there were 280,485 beef sired female cattle on NI farms aged over 30 months, back three per cent from the 289,739 head recorded in December 2018. The number of female dairy cattle over 30 months on NI farms has also recorded a decline, back by three per cent to 293,337 at the end of December 2019.

Figure 1: Cattle for beef production on NI farms by age range 31 December 2017-2019 Source: Aphis



UK CONFIRMS MONEY FOR FARMING IN 2020

THE Chancellor of the Exchequer Sajid Javid has announced £2.9 billion (€3.4bn) in funding to support the UK farm sector in 2020. The money will be used to maintain direct payments at the same level as in 2019 & supplement EU funding for development projects that farmers will receive until 2023 at the latest.

“When we leave the EU and are freed from the Common Agricultural Policy, we will be able to support our vital rural communities - who are a cornerstone of life in the UK - with a fairer and less bureaucratic system,” Javid said in his statement, released late on 30 December 2019.

Defra secretary Theresa Villiers added: “Outside the EU we will have a simpler, fairer funding system - one that rewards farmers for enhancing our environment and safeguarding our high animal welfare standards.”

The support package totals £2.85bn over two years (€3.36bn). In 2020/2021, the Department for the Environment, Food & Rural Affairs (Defra) gets £1.75bn (€2.06bn), the Scottish government £449m (€529m), the Welsh government £231m (€272m) & the Northern Ireland administration £279m (€329m). In 2021/2022 there is £92m (€108m) for Defra, £24m

(€28m) for Scotland, £12m (€14m) for Wales and £15m (€18m) for Northern Ireland.

England, Scotland, Northern Ireland and Wales will be able to introduce their own agricultural policies after Brexit and set their own types of subsidy payment.

The UK government foresees a gradual phase-out of CAP-style direct payments in England over a seven-year transition period from 2021 to 2028.

Afterwards, farmers would only receive subsidies if they contribute to specific environmental or climate change objectives, or are farming in geographically less-favoured areas, under new Environmental Land Management Schemes (ELMS).

Wales also plans to move away from area-based income support towards more targeted payments for public goods. Meanwhile, the Scottish administration seeks to broadly continue the policies currently in place for around five years after Brexit. In Northern Ireland DAERA engaged with stakeholders on a Future Agricultural Policy Framework in 2018 but it will be for Ministers to take final decisions on future agricultural policy in NI.

DEADWEIGHT HOGGET TRADE GETS OFF TO A GOOD START IN 2020

QUOTES for R3 grading hoggets increased strongly in Northern Ireland this week to 415-420p/kg with all plants paying up to 22kg. This improvement in quotes brings the trade close to January 2019 levels when the plants were quoting 420-430p/kg.

Reports from the major processors have indicated that a steady demand for lamb from key markets combined with tighter supplies of hoggets for slaughter has contributed to the firming in the deadweight trade. The marts have also reported a sharper trade in the rings this week with increased competition for good quality lambs that meet market specifications.

Hogget slaughterings in local plants last week totalled 6,979 head with a further 6,379 head exported to ROI for direct slaughter. In the same week last year 6,073 hoggets were killed locally and a further 7,156 hoggets were exported to ROI.

It can be difficult to gauge the number of sheep on the ground available for slaughter however reports have suggested that there has been a similar carryover of hoggets into 2020. Since June 2019 there have been 275,777 lambs/hoggets killed in local plants and a further 225,159 exported to ROI. This

gives a combined output from the NI sheep flock of 500,936 head, similar to the same period in 2018/2019.

The favourable production conditions on NI farms during early summer 2019 supported good lamb growth rates. This improved level of lamb performance contributed to higher carcass weights and shorter finishing times on many farms.

Great Britain

There have also been reports of tighter lamb supplies in GB as we move into 2020. Good production conditions improved lamb performance and contributed to higher output from the

GB sheep flock during early summer 2019. Reports have also indicated that producers in GB pushed lambs with concentrates to finish earlier than usual during the 2019 season due to concerns around the potential impact of Brexit on the deadweight lamb trade.

ROI

ROI remains an important outlet for the NI sheep sector. Reports have indicated a tightening in hogget availability in ROI with demand currently running ahead of supplies. This has created a firm demand for domestically produced sheep in ROI as well as imported hoggets sourced in NI.

Image 1: Reports have indicated tighter supplies of hoggets for slaughter in NI



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WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 06/01/20	Next Week 13/01/20
Prime		
U-3	326 - 334p	326 - 334p
R-3	320 - 328p	320 - 328p
O+3	314 - 322p	314 - 322p
P+3	266 - 276p	266 - 276p
	Including bonus where applicable	
Cows		
O+3 & better	234 - 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.

Deadweight Cattle Trade

The deadweight cattle trade in NI has held steady this week with base quotes from the major processors of 326-334p/kg for in spec U-3 grade prime cattle. The majority of the major plants are quoting 328-332p/kg for steers and heifers. This week last year the major processors were quoting 336-344p/kg for in spec U-3 grading steers and heifers. The deadweight cow trade held steady in NI this week with quotes ranging from 234-250p/kg for good quality O+3 grading cows. Similar quotes are expected for all types of cattle next week.

The local plants are reporting steady supplies of all types of cattle to meet demand for beef. Prime cattle throughput in NI last week totalled 5,475 head which was three per cent higher than the 5,320 prime cattle killed locally in the corresponding week last year. Cow throughput in NI last week totalled 1,454 head which was up from 1,209 cows killed locally in the same week last year.

The average steer price in NI last week was 333.9p/kg, a decrease of 1.5p/kg from the previous week. The R3 steer price in NI last week was back marginally from the previous week to 342.5p/kg. The average heifer price in NI last week was 337.8p/kg, up slightly from the previous week. Meanwhile the R3 heifer price in NI last week was back 0.3p/kg to 342.2p/kg. The average cow price in NI reported a decrease of 4.7p/kg to 231.1p/kg while the O3 cow price reported an increase last week of 1.2p/kg to 252.7p/kg.

The deadweight prime cattle trade in GB last week came under some pressure when compared to the previous week. The average steer price was back by 3.8p/kg to 331.1p/kg while the R3 steer price was back by 3.5p/kg to 337.7p/kg. This was 4.8p/kg below the R3 steer price in NI. The R3 steer price reported decreases in all of the GB regions in Scotland (-2.6p/kg), Southern England (-3.3p/kg), Northern England (-2.9p/kg) and the Midlands (-4.9p/kg). The average heifer price in GB last week was back by 3.1p/kg to 332.4p/kg while the R3 heifer price was back by 2.8p/kg to 337.5p/kg. This was 4.7p/kg below the same price in NI. The R3 heifer price reported decreases in Scotland (-2.9p/kg), Southern England (-8.4p/kg) and the Midlands (-1.2p/kg) with an increase of 0.8p/kg in Northern England to 338.9p/kg. Meanwhile the GB cow trade improved last week with the average cow price up 6p/kg to 219.7p/kg. The O3 cow price reported an increase of 4.2p/kg to the 241.5p/kg, 11.2p/kg below the O3 cow price in NI.

In ROI last week the R3 steer price decreased by the equivalent of 0.8p/kg to 304.1p/kg. This is 38.4p/kg behind the same price in NI which puts the differential in the value of 350kg carcass at £134. The R3 heifer price decreased by the equivalent 1.1p/kg to 310.9p/kg. This is 31.3p/kg behind the NI R3 heifer price which puts the differential between the two regions at £100 for 320kg carcass. The O3 cow price in ROI last week recorded an increase of 4p/kg to the equivalent of 231.9p/kg, 20.8p/kg below the O3 cow price in NI.

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

W/E 04/01/20	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	340.4	312.0	349.1	338.2	340.8	339.2	341.8
	R3	342.5	304.1	348.5	339.7	332.7	330.2	337.7
	R4	344.4	305.3	350.2	342.2	336.1	330.0	341.3
	AVG	333.9	-	346.8	332.8	323.3	319.6	331.1
Heifers	U3	346.9	321.1	351.5	342.8	346.4	339.8	345.9
	R3	342.2	310.9	345.4	338.9	335.0	331.1	337.5
	R4	339.6	310.5	347.3	337.1	335.9	331.8	338.4
	AVG	337.8	-	345.9	333.2	326.8	321.7	332.4
Young Bulls	U3	331.1	291.3	335.4	331.4	328.5	320.3	330.2
	R3	322.6	282.9	333.4	328.2	326.2	321.0	327.9
	AVG	310.2	-	320.7	314.1	297.0	300.4	306.2
Prime Cattle Price Reported	4,609	-	4,879	5,441	5,663	3,526	19,509	
Cows	O3	252.7	231.9	241.2	247.7	240.6	236.7	241.5
	O4	252.1	232.2	237.0	248.0	240.7	229.2	239.7
	P2	210.7	208.1	195.1	193.2	195.3	192.4	194.2
	AVG	231.1	-	234.6	231.9	215.2	209.8	219.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.06p 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 04/01/20	Steers	Heifers	Young Bulls
U3	337.5	346.6	332.8
R3	335.9	340.2	323.0
O+3	329.0	333.6	314.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 04/01/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	143.5	155.0	171.1	175.4
P2	164.0	190.4	211.2	222.8
P3	124.2	227.5	225.4	232.8
O3	-	228.4	239.5	254.2
O4	-	-	243.1	252.2
R3	-	-	-	272.2

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 04/01/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	205	212	208	175	204	190
Friesians	157	160	158	147	154	150
Heifers	209	218	213	170	206	190
Beef Cows	126	169	132	105	125	115
Dairy Cows	105	125	108	65	104	85
Store Cattle (p/kg)						
Bullocks up to 400kg				No Sale		
Bullocks 400kg - 500kg						
Bullocks over 500kg						
Heifers up to 450kg						
Heifers over 450kg						
Dropped Calves (£/head)						
Continental Bulls	345	445	370	230	340	285
Continental Heifers	260	385	315	140	250	200
Friesian Bulls	50	95	75	18	45	35
Holstein Bulls	45	110	65	1	40	25

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 06/01/20	Next Week 13/01/20
Hoggets up to 22kgs	415-420p	415-420p

REPORTED SHEEP PRICES

(P/KG)	W/E 21/12/19	W/E 28/12/19	W/E 04/01/20
NI L/W Lambs/Hoggets	368.3	-	389.3
NI D/W Lambs/Hoggets	396.9	396.7	399.3
GB D/W Lambs/Hoggets	429.8	438.0	450.1
ROI D/W	405.4	-	-

Deadweight Sheep Trade

Quotes from NI processors this week for R3 grading hoggets ranged from 415-420p/kg up to 22kg with similar quotes expected for early next week. The plants have reported steady supplies of hoggets with throughput in local plants last week totalling 6,979 head. In the corresponding week in 2018 hogget throughput totalled 6,073 head. Exports of lambs to ROI for direct slaughter increased last week with 6,379 lambs/hoggets making the journey to plants in ROI. The deadweight lamb/hogget price in NI last week was 399.3p/kg, an increase of 2.6p/kg from the previous week. In the corresponding week last year the deadweight lamb/hogget price in NI was 413.6p/kg.

This week's marts

Many of the marts this week have reported a firm trade with good numbers passing through the sale rings after the Christmas and New Year break. In Swatragh last Saturday 842 hoggets sold from 355-394p/kg. In Massereene this week 926 hoggets sold from 380-420p/kg. On Tuesday in Saintfield 801 hoggets sold from 379-446p/kg. A strong entry of 1,763 hoggets in Ballymena sold from 375-418p/kg, with an average price of 390p/kg. In Enniskillen this week 523 hoggets sold from 370-433p/kg. In Markethill 1,250 hoggets on Wednesday sold from 380-445p/kg. Top prices for ewes generally ranged from £87-£138 across the marts with a top reported price of £140 in Massereene on Monday.

LATEST SHEEP MARTS (P/KG LW)

From: 03/01/20		Hoggets			
To: 09/01/20		No	From	To	Avg
Friday	Newtownstewart	220	345	386	-
Saturday	Swatragh	842	355	394	-
	Omagh	814	394	418	-
Monday	Massereene	926	380	420	-
	Kilrea	600	368	446	-
Tuesday	Saintfield	801	379	446	-
	Rathfriland	525	360	408	384
Wednesday	Ballymena	1763	375	418	390
	Enniskillen	523	370	433	-
	Armoy	412	387	433	-
	Markethill	1250	380	445	-

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Contact us

T: 028 9263 3000
E: bulletin@lmcni.com
W: www.lmcni.com

