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SHEEP TRADE - WHAT A DIFFERENCE A YEAR MAKES!

Looking back 12 months to this week last year the LMC Bulletin headline was reporting some recovery in the deadweight hogget trade following a significant collapse in hogget prices in late March / early April 2020 on the back of the Coronavirus pandemic and societal lockdowns which were being implemented right across the world as the scale of impact of Covid-19 was really starting to become apparent.

Fast forward to this year and we have recently recorded some of the strongest deadweight hogget prices ever seen in Northern Ireland with reported hogget prices of £6.25 per kilo for the last two weeks of March 2021.

Image 1: The sheep trade in NI remains strong with some of the highest deadweight hogget prices ever recorded in recent weeks

Similar to the situation last year, Easter 2021 was spent in lockdown for most of the consumer markets where Northern Ireland sheep meat is sold and whilst fewer out of home meal options have been available to consumers in the UK and across the EU this Easter there has been a significant shift in markets from this time last year.

It has been evident in recent UK retail trade reports published by Kantar World Panel that a lot of consumers are trading up their meat purchases to enjoy more restaurant style / special occasion meals at home and lamb has been one of the meats to benefit from this trend. Kantar reported that for the 12 week period ending 27 December 2020 that total spend on lamb in the GB retail market had increased by 18.2 per cent on the previous year with an almost 14 per cent increase in volume and a 3.9 per cent increase in the average price of lamb at retail.

Lamb is known to be a particularly price sensitive meat with consumers and it was encouraging to note that the greatest increases in sales occurred not just in lamb mince but also in lamb roasting joints and chops. At the beginning of 2021 GB retail prices for lamb have continued to stay ahead of last year with a 4.6 per cent increase on 2020 levels recorded by Kantar for the 12 weeks ending 21 February 2021.

Some of the other factors influencing the strength of hogget and lamb prices in the first quarter of 2021 have been the UK Exit from the European Union and a series of supply and demand factors. In 2020 it was clear from the UK trade data that much lower volumes of lamb and mutton came into UK markets, partly due to Covid-19 disruption to food service businesses but also due to less product being shipped to the UK by traditional exporters due to potential EU exit disruption as well as a stronger demand in some Asian markets such as China where meat import demand has continued to grow.

Imports to the UK during 2020 were back seven per cent on 2019 levels and perhaps more significantly were back 25 per cent on 2018 levels. Exports of lamb from GB to EU markets have also been disrupted in the first quarter of 2021 as businesses in England, Scotland and Wales adapt to new procedures and costs of doing business with the EU outside the Single Market and Customs Union.

On an AHDB webinar last week the Managing Director of Euro Quality Lambs in Shropshire estimated that the new arrangements for shipping lamb to the EU market would add an extra £560,000 onto their business operating costs this year. The Protocol on Ireland and Northern Ireland allows for unfettered access of business in Northern Ireland to both UK and EU markets and this part of the Trade and Cooperation Agreement between the UK and the EU which was concluded on Christmas Eve 2020 is presenting less of a barrier for Northern Ireland exports of lamb to EU markets than those currently facing GB based businesses.

The global market for sheep meat is very much supply driven and at the Gira Meat Club conference in December 2020 the expert analysts were only suggesting a small 1 to 1.5 per cent increase in available supplies of sheep and goat meat for global trading in 2021. China is expected to remain a strong driver of world sheep meat markets in 2021 with some growth in imports from Australia as it rebuilds its domestic flock after the ravages of drought in recent years. There may be some recovery in Middle Eastern and North African markets for sheep meat but this will be very dependent on the resumption of global travel and the reopening of food service to tourists as they return to these destinations.

What is clear is that the sheep sector in Northern Ireland remains a critically important part of the local agri-food industry and, as steps are taken to develop new Agricultural and Environmental Policy in the region now that the UK is outside the Common Agricultural Policy, it is essential that appropriate support instruments are designed and funded to assist the sector to become more sustainable and profitable and to continue to enable its delivery of high nutrient value protein to customers at home and abroad.

RISE IN CALF REGISTRATIONS DURING QUARTER 1 2021

There has been an increase in calf registrations during the first quarter of 2021 when compared to the same period last year. Calf registrations totalled 134,563 head during the first three months of 2021 which is a 5.4 per cent increase when compared to 2020.

Beef Sired Calf Registrations

During the first quarter of 2021 there have been 87,774 beef sired calves registered on Northern Irish farms. This is up 7.7 per cent from the 81,479 head registered in the same period in 2020 as outlined in **Figure 1**.

Beef sired calves accounted for 65 per cent of the total calves registered on Northern Irish farms during the first quarter of 2021 while the remaining 35 per cent were dairy sired. These proportions are very similar to 2020 figures.

During the first three months of 2021 the proportion of beef sired calves registered to suckler cows decreased slightly to 51 per cent from 53 per cent during the same period in 2020. The remaining 49 per cent of beef sired calf registrations in the first quarter of 2021 were registered to dairy cows.

Aberdeen Angus continues to be the most popular beef sire on local farms accounting for 31.4 per cent of total beef sired calf registrations. This proportion had increased from the first quarter of 2020 when Aberdeen Angus beef sired calf registrations accounted for 29.4 per cent of beef sired registrations.

The second most popular beef sire is Limousin which accounted for 21.4 per cent of beef sired calf registrations during the first three months of 2021. This is down slightly from the first quarter of 2020 when Limousin sire accounted for 22.1 per cent of beef sired calf registrations.

Meanwhile Charolais was the next most popular beef sire accounting for 17.1 per cent of total beef sired calf registrations.

Calf Registrations
Quarter 1 2021 vs Quarter 1 2020

Beef sired calf registrations:
up 7.7 per cent / 6,295 head

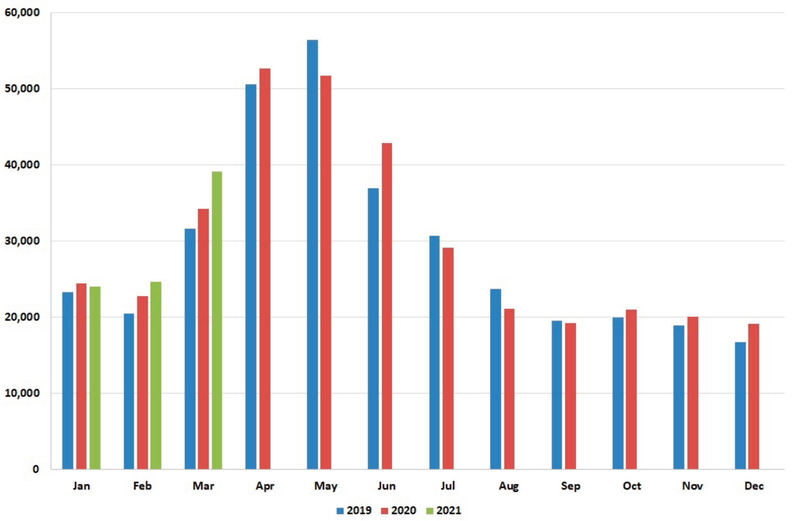
Dairy sired calf registrations:
up 1.2 per cent / 573 head

Dairy Sired Calf Registrations

There has also been an increase in dairy sired calf registrations in Northern Ireland during the first quarter of 2021, with a total of 46,789 calves registered in this category. This is an increase of 573 head when compared to the same period in 2020.

Dairy sired male calf registrations totalled 17,795 head during the first quarter of 2021 which equates to 38 per cent of total dairy sired registrations. This proportion has decreased from the first quarter of 2020 when dairy sired male calf registrations accounted for 40 per cent of total dairy sired calf registrations in Northern Ireland.

Figure 1: Monthly beef sired calf registrations in NI during 2019, 2020 and 2021. Source: APHIS.



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

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 05/04/21	Next Week 12/04/21
Prime		
U-3	364 - 376p	368 - 380p
R-3	358 - 370p	362 - 374p
O+3	352 - 364p	356 - 368p
P+3	298 - 314p	302 - 318p
	Including bonus where applicable	
Cows		
O+3	265 - 290p	265 - 290p

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 03/04/21	Steers	Heifers	Young Bulls
U3	389.0	388.5	380.1
R3	382.5	385.9	377.3
O+3	375.0	376.9	361.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 03/04/21	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	183.1	194.2	201.8	207.6
P2	196.3	222.2	241.1	258.1
P3	188.0	229.0	259.3	266.1
O3	-	270.0	282.6	289.6
O4	-	-	300.6	287.6
R3	-	-	-	305.3

Deadweight Cattle Trade

Base quotes from the major NI processing plants for in spec U-3 grade prime cattle strengthened this week with plants quoting 366-380p/kg. Quotes from the plants for good quality O+3 cows have remained steady at 265-290p/kg. Similar quotes are expected for all types of cattle for early next week.

Prime cattle throughput in NI last week totalled 5,888 head which brings throughput during 2021 to date to 84,374 head. This is back 5.8 per cent when compared to the same period in 2020 when 89,607 prime cattle were processed locally. Cow throughput in local plants decreased slightly last week to 1,608 head, bringing cow throughput for 2021 to date to 23,790 head. This was back 5.5 per cent from the 25,181 cows processed in local plants in the first quarter of 2020.

Cattle imports to NI for direct slaughter from ROI last week consisted of 233 prime cattle and 66 cows. This brings the total prime cattle imports from ROI in the first quarter of 2021 to 2,993 head, up 600 head from the same period in 2020. Cattle exports from NI to ROI last week included four prime cattle and 38 cows. This brings the total cattle exports to ROI in the first quarter of 2021 to 654 head, back from 895 head exported in the same period in 2020.

In NI the deadweight trade strengthened for the majority of cattle grades last week. The average steer price was up by 4.3p/kg to 377.2p/kg with the R3 steer price increasing by 3.2p/kg to 385.7p/kg. The average heifer price in NI last week increased by 3.6p/kg from the previous week to 378.6p/kg, while the R3 heifer price increased by 6.2p/kg to 387.8p/kg. The average young bull price was up by just over 4p/kg to 362.4p/kg with the R3 young bull price increasing by 5.4p/kg to 375.6p/kg. Meanwhile last week the average cow price in NI recorded a decline of 1.3p/kg from the previous week to 259.2p/kg with the O3 cow price increasing by 3.4p/kg to 288.8p/kg.

In GB last week the deadweight trade for prime cattle firmed across the regions compared to the previous week. The average steer price increased by 4p/kg to 397.1p/kg while the R3 steer price increased by 5p/kg to 402.9p/kg. R3 steer prices improved across all regions most notably in Scotland where an increase of 7.7p/kg to 414.5pkg was reported. The GB average heifer price and the R3 heifer price both reported an increase of 4p/kg last week to 395.9p/kg and 402.4p/kg respectively. R3 heifer prices reported increases across all the regions with the strongest increase reported in Northern England where it was up by almost 6p/kg to 403.1p/kg. The cow trade also improved in GB last week with the average cow price up by 2.9p/kg to 270.6p/kg, while the O3 cow price increased by 2.6p/kg to 293.9p/kg.

In ROI last week the deadweight prime cattle trade improved in euro terms however a weakening in the euro against sterling resulted in prices generally back from the previous week. The R3 steer price in ROI decreased by half a penny to the equivalent of 331p/kg while the R3 heifer price came back by the equivalent of 1.4p/kg to 334.9p/kg.

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

W/E 03/04/21		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	388.9	339.7	415.7	402.8	405.9	403.4	407.7
	R3	385.7	331.0	414.5	403.8	400.3	394.6	402.9
	R4	383.9	331.8	416.4	403.7	399.5	395.6	406.8
	O3	374.8	317.0	401.3	384.7	376.1	371.8	380.6
	AVG	377.2	-	412.5	395.8	390.2	387.1	397.1
Heifers	U3	389.3	345.7	423.2	406.5	410.9	405.6	412.1
	R3	387.8	334.9	416.3	403.1	400.5	393.5	402.4
	R4	383.6	335.3	417.0	402.1	401.1	392.3	406.2
	O3	376.9	324.6	392.7	380.7	375.1	371.5	377.1
	AVG	378.6	-	413.8	396.0	389.3	381.7	395.9
Young Bulls	U3	380.0	326.8	409.3	400.0	405.8	397.8	404.8
	R3	375.6	317.4	406.2	385.2	397.6	379.3	394.1
	O3	355.7	304.6	378.7	363.4	363.6	348.7	366.1
	AVG	362.4	-	398.5	374.2	385.1	380.6	384.9
Prime Cattle Price Reported		3916	-	6627	6132	6927	4916	24602
Cows	O3	288.8	267.7	302.5	297.5	290.9	285.2	293.9
	O4	288.0	267.4	304.1	302.1	291.3	285.3	295.1
	P2	245.6	240.8	254.0	243.5	245.9	244.5	245.8
	P3	263.0	258.3	274.1	262.5	263.2	259.1	262.9
	AVG	259.2	-	297.5	285.8	260.5	259.0	270.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.23p 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 03/04/21	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	230	246	238	205	229	215
Friesians	170	184	178	140	169	155
Heifers	230	261	238	210	229	218
Beef Cows	165	210	175	130	164	148
Dairy Cows	128	159	136	108	127	116
Store Cattle (p/kg)						
Bullocks up to 400kg	260	308	280	210	259	235
Bullocks 400kg - 500kg	235	275	250	208	234	222
Bullocks over 500kg	222	247	232	190	220	205
Heifers up to 450kg	240	288	255	210	239	225
Heifers over 450kg	220	242	230	200	219	210
Dropped Calves (£/head)						
Continental Bulls	400	500	450	300	395	345
Continental Heifers	350	525	400	245	345	295
Friesian Bulls	180	250	215	100	175	135
Holstein Bulls	130	210	150	42	125	75

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 05/04/21	Next Week 12/04/21
R3 Hoggets up to 22kg (with one processor paying up to 23kg)	590 - 620p	610 - 630p
R3 Spring Lambs up to 21kg	680p	660 - 685p

REPORTED SHEEP PRICES

(P/KG)	W/E 20/03/21	W/E 27/03/21	W/E 03/04/21
NI L/W Hoggets	562.4	541.4	549.1
NI D/W Hoggets	625.9	625.0	610.3
GB D/W Hoggets	638.6	626.5	619.3
ROI D/W	623.5	623.2	616.7

Deadweight Sheep Trade

Quotes for R3 grade hoggets ranged from 610-620p/kg this week up to 22kg/23kg with the local plants quoting 660-690p/kg up to 21kg for R3 grading spring lambs. Throughput of hoggets/lambs in NI plants last week totalled 5,962 head which was back 25 per cent from the previous week. This brings the total number of hoggets/lambs slaughtered in the first quarter of 2021 to 94,099 head, up nine per cent when compared to the same period in 2020. Exports of lambs/hoggets from NI to ROI for direct slaughter last week totalled 2,588 head, a 32 per cent decrease on the 3,821 lambs/hoggets exported to ROI during the same week in 2020. The average deadweight hogget price in NI last week was 610.3p/kg, back 14.7p/kg from the previous week. In ROI last week the deadweight lamb/hogget price was back by the equivalent of 6.5p/kg to 616.7p/kg.

Liveweight Sheep Trade

Many of the marts in NI were closed early this week due to the Easter holidays while the majority of sales that did go ahead reported relatively small numbers passing through the sale rings. In Saintfield on Tuesday 145 hoggets sold from 545-600p/kg compared to 160 hoggets last week selling from 500-580p/kg. A small number of spring lambs this week sold in Saintfield from 645-700p/kg. In Ballymena this week a slightly sharper trade saw 354 hoggets selling to an average of 570p/kg compared to 509 hoggets last week selling to an average of 565p/kg, also this week in Ballymena 252 spring lambs sold to an average of 660p/kg. The cull ewe trade continues to remain firm with top reported prices ranging from £160-£195 across the marts.

LATEST SHEEP MARTS (P/KG LW)

From: 03/04/21		Hoggets				Spring Lambs			
To: 08/04/21		No	From	To	Avg	No	From	To	Avg
Saturday	Swatragh	600	576	600	-	70	685	706	-
Tuesday	Saintfield	145	545	600	-	45	645	700	-
	Rathfriland	-	-	-	-	77	635	730	693
Wednesday	Ballymena	354	550	640	570	252	640	742	660
	Enniskillen	258	540	604	-	89	645	695	-
	Armoy	316	640	670	-	29	660	675	-
	Markethill	400	580	682	-	320	650	715	-

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

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