

HIGHER PRICES AVAILABLE THAN BASE QUOTES SUGGEST

Quotes this week from the major NI beef processing plants for in spec U-3 grading prime cattle range from 366-378p/kg with the majority of plants quoting 370-378p/kg. These base quotes are well ahead of this time last year when the major processing plants were quoting 324-334p/kg.

Prime cattle slaughtered in the major NI processing plants are priced using a pricing grid with 225 potential grades available. The U-3 grade is used as the base quote which then allows the price of all other grades on the pricing grid to be worked out. The pricing grid should be used as a guide which reflects the relative differences in value of each grade however it should be noted there may be some variation in the application of the grid between different processing plants.

The prices quoted by the major processing plants should be used by producers as a starting point for

negotiation, with higher prices available, especially for cattle which meet current market specifications. The deadweight prices paid for individual grades of prime cattle will be heavily influenced by relative supply and demand at the time.

Weekly deadweight price reporting data allows comparison between quoted prices and actual prices paid by the processing plants. For analysis and reporting purposes, R-3 grade steers have been used to compare the quoted and actual paid prices. R-3 grade steers have been used as they are the most common price reported grade in NI and hence will provide the best overview of price differential between quotes and paid prices.

The data used for comparison includes R-3 grading steers which are in spec in terms of age, weight, grade, Farm Quality status and number of farm residences. Aberdeen Angus, Hereford

and organic cattle have also been removed as any bonuses paid for these cattle at point of slaughter are not included in base quotes from the major NI processors.

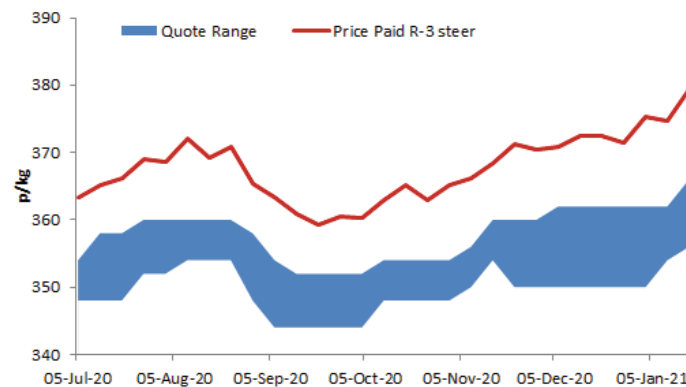
Figure 1 shows the comparison of quoted price range and average paid price for R-3 grading steers in NI between July 2020 and January 2021. From the graph it can be seen that the paid price is continually higher than the quoted price throughout the 29 week period.

Differential between top quoted price and actual paid price between w/e 05 July 2020 and w/e 16 January 2021.

**Average differential: 10p/kg
Range in differential: 7 - 13p/kg**

During this period, the average differential in quoted and actual price

Figure 1. Quoted price range and actual price paid for R-3 grading steers
Source: LMC Cattle Price Reporting



paid by NI processing plants is 10p/kg. The largest differential in this 29 week period has been seen this month, with a 13p/kg difference between quoted price and actual price paid. From the analysis it's clear that producers are negotiating higher prices than base quotes suggest.

With this in mind, producers should be encouraged to actively negotiate the price of their cattle with NI processors. Although the average paid price is consistently above the quoted price, over the 29 week period there were a number of cattle in which an R-3 grading steer was paid within and below the quoted price range.

DIFFERENCE BETWEEN QUOTES AND PAID PRICES

Over the last few weeks LMC has fielded a number of calls from producers about the quotes for cattle and sheep which are issued by LMC.

The quotes for the Friday evening text message are obtained by LMC on a Friday morning by ringing round all of the main slaughter plants and they are given to LMC by factory procurement staff as an indication of trade for the beginning of the week ahead.

The quotes obtained on a Friday are also published in the Bulletin on a Saturday and broadcast on BBC farm gate on a Monday morning. LMC also calls the factories on a Monday and Wednesday morning and any updates to quotes will be broadcast on BBC Farming Matters on a Tuesday evening and will be published on the LMC website homepage.

LMC's answerphone service is also updated daily with any revisions to quotes. Some of the calls which LMC has taken recently have been from farmers suggesting that quotes are not in line with prices that producers can actually get for their livestock from factory buyers.

As reported prices paid for cattle are

not available for publication until 12 days after the quoted prices are issued in the Friday evening text it is only then that LMC can do an actual comparison between quotes and prices paid. Aggregated paid prices are published by LMC on a Wednesday as soon as the official price report has been compiled and uploaded.

In today's Bulletin we analysed the quote range for R-3 grading steers against the average price paid for R-3 grading steers over the same period. What is clear from the analysis is that prices paid consistently exceed the price quoted and that is not an unexpected trend.

From our latest analysis of R-3 steers we can see that the average differential in the paid price over the top quoted price has been 10p/kg.

Quotes by their nature are estimates of the trade for the week ahead and the actual price received will depend on the producer negotiation with their factory buyer and the attributes of the stock being offered for sale.

LMC's message to producers is to use the base quotes as the starting point for negotiation, as higher prices are

likely to be available especially when supplies of livestock for slaughter are tight.

Producers with cattle in specification for weight, grade, age, quality assurance, number of farm residences etc. can expect to be in a stronger position to negotiate a better price than producers with cattle not meeting all aspects of specification.

If the producer is a regular supplier of good numbers of factory desired cattle then it is not uncommon for better prices to be obtained than quotes would suggest. Other producers who are occasional or infrequent suppliers may receive prices for their cattle closer to the quote and price reporting data shows that there are always cattle bought within quoted ranges for the grade.

The one clear trend from the quoted prices is that they indicate the direction of travel of the market whether that is strengthening or softening of the trade and is perhaps the main benefit of publishing quotes as well as reported prices (which will always be over a week behind the actual trade at the time).

CONFORMATION SCORES UPDATE QUARTER 4 2020

During the fourth quarter of 2020 price reported NI prime cattle conformation scores remained similar to the same period in 2019.

Steers

The proportion of U grading steers has decreased slightly to 18 per cent in quarter 4 of 2020, down one per cent from the same period in 2019. Similarly, the proportion of R grading steers has decreased by a marginal one per cent from 2019, with 34 per cent of the kill meeting this conformation score in the final quarter of 2020. Meanwhile the proportion of O grading steers increased slightly to 38 per cent during the final three months of 2020 from 2019 levels. The proportion of P grades were unchanged from the previous year.

Heifers

Similar to the steers, the proportion of U and R grading heifers has decreased by one per cent to 17 per cent and 42 per cent respectively in quarter 4 of 2020. Meanwhile the proportion of O grading heifers increased by three per

cent to 36 per cent in 2020 while the proportion of P grades were unchanged.

Young Bulls

U grading young bulls accounted for 19 per cent of price reported young bull kill in quarter four of 2020. This was back three per cent from the same period in 2019. The proportion of R and P grading young bulls were unchanged from the previous year with these conformation scores accounting for 30 per cent and 11 per cent of the kills respectively. Meanwhile O grading young bulls were up four per cent, totalling 39 per cent in quarter four of 2020.

Source of prime cattle kill

During the final quarter of 2020 suckler origin cattle accounted for 56 per cent of total prime cattle kill. While 32 per cent of the kill was from a beef cross origin and the remaining 12 per cent were dairy sired origin. These proportions were similar to the quarter 4 2019.

Table 1: Conformation scores allocated to price reported dairy and suckler origin prime cattle during quarter 4 2020. Source: LMC Cattle Price Reporting

	E	U	R	O	P
Dairy Dam	0%	1%	20%	62%	17%
Suckler Dam	1%	31%	50%	18%	1%

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 18/01/21	Next Week 25/01/21
Prime		
U-3	366 - 376p	366 - 378p
R-3	360 - 370p	360 - 372p
O+3	354 - 364p	354 - 366p
P+3	300 - 314p	300 - 316p
	Including bonus where applicable	
Cows		
O+3 & better	260 - 272p	260 - 270p
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 improved as the week progressed with base quotes from the plants ending this week ranging from 366-378p/kg for in spec U-3 grade prime cattle. The majority of plants are quoting 370-378p/kg for steers and heifers with similar quotes expected for early next week. With the range of quotes available producers are encouraged to shop around to get the best possible deal for their cattle. Quotes for good quality O+3 grading cows this week ranged from 260-272p/kg.

Prime cattle throughput in NI last week totalled 6,167 head, a 127 head increase from the previous week when prime cattle throughput totalled 6,040 head. In the same week in 2020 the prime cattle throughput in NI totalled 7,072 head. Cow throughput in NI last week totalled 1,952 head back slightly from the previous week. In the corresponding week in 2020 cow throughput in local plants totalled 2,181 head.

Imports of cattle from ROI for direct slaughter last week included 95 prime cattle and 69 cows with no cattle imported from GB to NI last week for direct slaughter in local plants. Meanwhile exports from NI to ROI for direct slaughter last week consisted of three heifers and 58 cows with no cattle making the journey from NI to GB for direct slaughter last week.

The NI deadweight cattle trade strengthened last week across the majority of grades. The average steer price in NI last week increased by 5.5p/kg to 373.5p/kg with the R3 steer price increasing 4.4p/kg to 382.1p/kg. In the corresponding week in 2020 the R3 steer price was 340.3p/kg. The average heifer price in NI last week was up 5.6p/kg to 376.1p/kg while the R3 heifer price was up almost 7p/kg to 384.2p/kg. In the same week in 2020 the reported R3 heifer price was 341.1p/kg. The deadweight cow trade improved in NI last week with the average cow price increasing by just over 6p/kg to 252.5p/kg while the O3 cow price increased by 3.3p/kg to 277p/kg.

In GB the deadweight cattle trade also firmed across all the regions from the previous week. The average steer price increased by 5.4p/kg to 378p/kg while the R3 steer price was up just over 3p/kg to 381.8p/kg. The average heifer price in GB last week reported an increase of 4.6p/kg to 376.9p/kg while the R3 heifer price in GB increased by 3.2p/kg to 381.7p/kg. In the corresponding week in 2020 the GB R3 steer price was 339.4p/kg with the R3 heifer price reported at 339.7p/kg. The O3 cow price last week in GB increased by 4.8p/kg to 266.8p/kg. This is just over 10p/kg below the NI O3 cow price.

In ROI last week the majority of cattle prices increased in euro terms. However a weakening in the euro against sterling has resulted in the majority of cattle prices decreasing in sterling terms from the previous week. The R3 steer price in ROI last week was back by the equivalent of 0.4p/kg to 340.5p/kg. The R3 heifer price last week was 345p/kg, back the equivalent of half a penny and 39.2p/kg below the R3 heifer price in NI. In the same week in 2020 the reported ROI R3 steer price was the equivalent of 309.3p/kg with the R3 heifer price the equivalent of 315.4p/kg.

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

W/E 16/01/21	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	384.7	349.4	390.5	383.1	384.9	384.1	386.2
	R3	382.1	340.5	388.8	382.5	379.3	378.7	381.8
	R4	379.6	341.1	389.1	390.6	382.3	377.5	387.3
	O3	371.7	325.8	377.1	369.9	361.2	357.7	364.5
	AVG	373.5	-	386.8	379.5	373.0	370.1	378.0
Heifers	U3	388.4	357.1	393.0	385.0	392.7	389.3	390.1
	R3	384.2	345.0	388.1	380.8	381.1	379.5	381.7
	R4	381.1	346.3	389.1	384.2	381.4	377.6	384.4
	O3	374.4	334.1	364.0	366.6	359.2	357.2	361.1
	AVG	376.1	-	386.3	378.7	371.9	368.9	376.9
Young Bulls	U3	367.4	332.3	384.9	356.7	378.4	381.0	377.8
	R3	374.0	323.7	376.8	366.2	376.0	367.0	374.1
	O3	353.7	311.4	347.0	343.9	350.1	357.5	347.8
	AVG	358.8	-	360.9	350.0	365.1	354.8	360.9
Prime Cattle Price Reported	5143	-	7102	7536	7632	4874	27144	
Cows	O3	277.0	267.1	271.3	269.5	265.5	261.9	266.8
	O4	277.4	268.3	271.8	271.3	263.0	260.9	266.2
	P2	243.2	243.1	226.1	223.9	217.8	229.3	222.5
	P3	259.3	256.9	238.9	248.5	238.0	239.8	239.9
	AVG	252.5	-	264.1	257.3	237.6	237.4	245.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.32p 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 16/01/21	Steers	Heifers	Young Bulls
U3	384.4	388.4	368.7
R3	379.7	382.1	372.7
O+3	371.8	372.1	363.3

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 16/01/21	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	176.7	185.3	197.6	213.3
P2	187.4	219.5	242.2	253.4
P3	195.6	238.7	254.0	263.1
O3	-	-	259.1	277.8
O4	236.0	248.0	281.4	277.6
R3	-	-	-	292.3

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 16/01/21	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	236	247	241	210	235	222
Friesians	182	203	192	162	181	171
Heifers	225	255	240	195	224	209
Beef Cows	191	249	220	176	190	183
Dairy Cows	128	145	136	109	127	118
Store Cattle (p/kg)						
Bullocks up to 400kg	292	326	309	211	291	251
Bullocks 400kg - 500kg	240	262	251	216	235	225
Bullocks over 500kg	220	240	230	200	215	207
Heifers up to 450kg	310	395	355	277	315	296
Heifers over 450kg	229	234	231	214	228	221
Dropped Calves (£/head)						
Continental Bulls	400	475	437	270	399	334
Continental Heifers	400	470	435	250	399	324
Friesian Bulls	150	200	175	70	145	107
Holstein Bulls	50	100	125	10	40	25

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 18/01/21	Next Week 25/01/21
R3 Hoggets up to 22kg (with one processor paying up to 23kg)	530 - 550p	500 - 530p

REPORTED SHEEP PRICES

(P/KG)	W/E 02/01/21	W/E 09/01/21	W/E 16/01/21
NI L/W Hoggets	457.0	481.7	521.8
NI D/W Hoggets	473.7	493.6	541.1
GB D/W Hoggets	487.0	518.6	568.8
ROI D/W	499.8	506.8	531.7

Deadweight Sheep Trade

Base quotes from the major NI processing plants firmed as the week progressed and ended this week ranging from 530-560p/kg up to 22kg with one local processor paying up to 23kg. Throughput decreased last week with 7,810 hoggets processed across local plants, back 209 head from the previous week. In the corresponding week in 2020 hogget throughput totalled 8,330 head in local plants. Hogget exports to ROI last week for direct slaughter totalled 6,461 head, up almost 200 head from the previous week. The deadweight NI hogget price was up considerably by 47.5p/kg last week to 541.1p/kg while the liveweight NI hogget price increased just over 40p/kg to 521.8p/kg. In the same week in 2020 the NI deadweight hogget price was 420.7p/kg, with the liveweight hogget price reported at 400.1p/kg.

Liveweight Sheep Trade

The liveweight trade has continued to remain strong across the marts this week though prices have come back from last week. In Omagh last Saturday 775 hoggets sold from 519-545p/kg compared to the previous week when 235 hoggets sold from 479-536p/kg. In Massereene on Monday 1,052 hoggets sold from 500-585p/kg compared to 726 hoggets last week selling from 510-551p/kg. In Rathfriland this week 477 hoggets sold from 465-571p/kg (avg 480p/kg) compared to 338 hoggets last week selling from 500-556p/kg (avg 523p/kg). On Wednesday in Enniskillen 888 hoggets sold from 462-542p/kg compared to 569 hoggets last week selling from 498-568p/kg. A firm trade for well fleshed ewes was reported across the marts with top recorded prices ranging from £134-£184.

LATEST SHEEP MARTS (P/KG LW)

From: 16/01/21		Hoggets			
To: 21/01/21		No	From	To	Avg
Saturday	Omagh	775	519	545	-
	Swatragh	1,400	498	554	-
Monday	Massereene	1052	500	585	-
	Kilrea	540	493	540	-
Tuesday	Saintfield	430	454	520	-
	Rathfriland	477	465	571	480
Wednesday	Ballymena	2606	470	530	482
	Enniskillen	888	462	542	-
	Armoy	760	470	535	-
	Markethill	1230	470	527	-

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

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