

## LMC DISCUSSES NEW 'AGRICULTURAL SUPPORT COMMON FRAMEWORK' WITH THE AERA COMMITTEE

Agriculture is a devolved issue within the UK. As a result, the various national legislatures have the right – and responsibility – to develop farm support policies that reflect the bespoke needs of the primary producers within their respective regions.

And this is already happening. A case in point was the recent public consultation linked to the package of new farm support proposals contained within the recent discussion document published by farm minister Edwin Poots in conjunction with the Department of Agriculture, Environment and Rural Affairs (DAERA). And, of course, differing farm support measures can also have an impact on the various food produce markets that develop across the entirety of the UK.

So the question becomes: by how much can farm support policies differ within the various countries making up the UK without causing distortions across the four nations?

Given this backdrop senior civil servants within the UK's respective departments for agriculture are joining forces – in a non statutory manner – to monitor the evolving farm support measures and market dynamics within the agri food sectors across England, Wales, Scotland and Northern Ireland. Their brief is to assess the direction of travel, where these two fundamental issues are concerned. They will also highlight instances where primary producers in any region could be put at a disadvantage relative to their farmer colleagues in other parts of the UK.

It is envisaged that representatives from all the main farming and food stakeholder bodies operating across the UK will have the opportunity to feed-in to this process in an active manner. The actual framework, which allows these discussions and analysis to take place, will be centred on the operation of two new groupings. These are: the Agricultural Policy Collaboration Group (PCG) and the UK Agricultural Market Monitoring Group (MMG). They have been established as part of the outworking from an 'Agricultural Support Common Framework' document, recently published at Westminster.

The command paper, which relates to the UK as a whole, seeks to establish a concordat, within which Westminster and the devolved administrations propose to collaborate, coordinate and cooperate on agricultural support. The scope of the framework covers working arrangements for future agricultural support and includes:

- agricultural spending and associated regulation and enforcement
- marketing standards
- crisis measures, Public Intervention (PI) and Private Storage Aid (PSA)
- cross border holdings (within the UK)
- data collection and sharing

The provisional common framework has received ministerial approval from all four governments. It has been laid in the UK parliament to enable parliamentary scrutiny to begin. Significantly, the framework will primarily be implemented through a non-legislative agreement – the concordat – setting out how all those involved will make decisions and work together.

The framework and concordat will recognise the shared aim to ensure effective collaboration on future agricultural support now that the UK has left the EU and the CAP.

The role of the PCG is to share knowledge, information and good practice proactively between those involved. It will also discuss and coordinate policy innovation and developments in relation to agricultural support schemes, marketing standards, market disturbances, emerging crises, agricultural regulation and enforcement. The MMG's role is to share information and to analyse and coordinate evidence on the impact of market developments across the UK. There will be a close relationship maintained at all times between the two working groups.

### So how will all of this be worked through in practical terms?

In the event of a national administration stating that it wants to introduce a change or policy, this will then be discussed by the PCG to assess if it causes divergence. If there is agreement that any resulting divergence is acceptable, then this is referred to senior officials for their agreement. This will lead to common recommendations being made to the UK's various agriculture ministers, explaining why any divergence is acceptable.

Ministers will consider the recommendations at an inter-ministerial level. If they agree that the divergence is acceptable, the policy will be implemented. A dispute resolution mechanism will be triggered if agreement cannot be reached at the PCG. In the first instance, the issue will be referred to a Senior Officials Programme Board (SOPB) to try to reach agreement. If an agreement cannot be reached by SOPB, the issue will be referred to the grouping of farm ministers for decision. If the issue remains unresolved, it will be referred to the appropriate intergovernmental structures to consider. Agreement will lead to the policy or change being implemented.

farm support debate that will take place here in Northern Ireland will figure prominently in their discussions during the period ahead."

Ian continued: "LMC will have a key interest in the specific issues scrutinised by the market monitoring group. "Transparency in price reporting across the UK will be one of the areas of critical importance during the period ahead. LMC has had a long standing role in officially reporting deadweight cattle prices for Northern Ireland.

Prior to Brexit these were supplied directly to the European Union." "We have always acted as an agent on behalf of DAERA (and the Rural Payments Agency), from a price reporting perspective," Ian Stevenson further explained. "Today, we provide reported deadweight cattle prices directly to DAERA. These are then included with the prices officially reported for the rest of the UK regions."

According to Ian, the members of the market monitoring group will feed views and analysis into their policy collaboration colleagues. He said: "Both of these groups will be carrying out detailed work, all of which will have a fundamental bearing on the future operation of the UK's internal agri food markets and the support that is made available to the farming sectors. At a very fundamental level, farmers and food processors in Northern Ireland must have unfettered and unhindered access to the rest of the UK. It's all about providing a level playing field. It will be the job of both working groups to ensure that all the required groundwork is completed in this regard."

LMC views the principles underlying the new common framework for agricultural support as being of fundamental importance for the farming and food sectors here in Northern Ireland. There is an expectation that the important work of both working groups' will be made public.

Ian Stevenson again: "The processes now in train are extremely interesting from a number of perspectives. "Yes, dispute resolution is catered for within the common framework strategy document. However, the main thrust of the work carried out will be centred on that of preventing disputes arising in the first place. "So it will be interesting to see if the common framework will stand up to the test if a dispute arises that cannot be easily resolved."

A number of common frameworks have been developed by Westminster across the UK economy as a whole. They have been designed to enable the functioning of the UK internal market, while acknowledging policy divergence and ensuring compliance with international obligations. They will also ensure that the UK can negotiate, enter into and implement new trade agreements and international treaties. This latter point is of fundamental importance to the farming and food sectors here in Northern Ireland,"

Ian Stevenson concluded. "We export 80% of the food we produce. As Northern Ireland looks towards a post-Brexit future, the need to secure greater export market access for all of our farming and food sectors takes on even greater significance. However, new trade agreements negotiated by the UK must be fair to domestic producers and must protect sensitive sectors. Recent deals signed with Australia and New Zealand have not identified many benefits to, or protections for, beef and lamb producers in Northern Ireland."



### COMMITTEE FOR AGRICULTURE, ENVIRONMENT & RURAL AFFAIRS

A representation from the Livestock and Meat Commission (LMC) and the Ulster Farmers' Union (UFU) recently gave evidence to the Stormont Agriculture, Environment and Rural Affairs (AERA) Committee as part of the scrutiny process associated with the adoption of the common framework.

LMC Chief Executive Ian Stevenson was one of the representatives giving evidence:

He commented: "Neither of the working groups is underpinned by legislation. So it will be very much a case of arriving at decisions on the basis of agreement and persuasion. "It is important for Northern Ireland to have an active input into the discussions held under the aegis of both working groups. "Given that both groups are already operational, it would be fair to conclude that the evolving

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# WEEKLY BEEF & LAMB MARKETS

## CATTLE TRADE

### NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 28/02/22	Next Week 07/03/22
<b>Prime</b>		
U-3	392 - 398p	392 - 404p
R-3	386 - 392p	386 - 398p
O+3	380 - 386p	380 - 392p
P+3	324 - 336p	324 - 342p
	Including bonus where applicable	
<b>Cows</b>		
O+3	280 - 300p	280 - 310p

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 from the major NI plants for in spec U-3 grade prime cattle strengthened mid-week at the upper end from 392-404p/kg this week for steers and heifers. Quotes for good quality O+3 grade cows also strengthened to range from 280-310p/kg across the plants. Similar quotes are expected for all types of cattle early next week with most processors quoting at the top end of this range.

Prime cattle throughput in NI last week increased to 7,670 head. This takes the prime cattle throughput in February to 30,710 head, an increase of 11.3 percent compared to February 2021. The average carcass weight of prime cattle in February was 349.2kg up almost 2kg when compared to the same period last year. Meanwhile a total of 2,161 cows were killed in NI last week, 91 cows less than the previous week. The February cow kill totalled 9,066 head, up 1,619 head compared to the same period in 2021 when 7,447 cows were processed locally. The average cow carcass weight for February was 313.3kg, back 0.3kg when compared to the same period in 2021.

Imports of prime cattle from ROI for direct slaughter in NI plants last week consisted of 158 prime cattle and 105 cows, while no cattle were imported from GB for direct slaughter. Exports of cattle out of NI for direct slaughter to ROI last week consisted of two heifers and 58 cows with no cattle making the journey from NI to GB for direct slaughter.

The average NI steer price last week was up 1.7p/kg to 399.5p/kg from the previous week while the R3 steer price increased by 1.6p/kg to 408.4p/kg. In the corresponding week in 2021 the reported R3 steer price was 378.3p/kg. The average heifer price in NI last week was back 1.5p/kg to 399.6p/kg while the R3 heifer price increased by a penny to 409.5p/kg. In the same week last year the R3 heifer price was 378.8p/kg. The average NI young bull price last week increased by 0.3p/kg to 381.9p/kg while the R3 young bull price decreased by 2p/kg to 392.4p/kg. Meanwhile last week the average cow price in NI increased by 2.5p/kg to 288.3p/kg, while the O3 cow price increased by 3.5p/kg to 313.7p/kg compared to the previous week.

In GB last week the average steer price was up by just over 2p/kg to 408.1p/kg while the R3 steer price was up by just over 3p/kg to 415.5p/kg. This has widened the differential in R3 steer prices last week between NI and GB to 7.1p/kg. The average heifer price in GB last week increased by 1.8p/kg to 406.9p/kg while the R3 heifer price increased by just over 2p/kg to 415.1p/kg. This puts the differential in R3 heifer prices last week between NI and GB at 5.6p/kg. The cow trade in GB strengthened last week with the O3 cow price up by 9.2p/kg to 319.7p/kg, increasing the cow price differential between NI and GB to 6p/kg.

The R3 steer price in ROI last week increased by 6p/kg to the equivalent of 378.4p/kg with the R3 heifer price in ROI last week increasing by 5.2p/kg to the equivalent of 381.3p/kg 28.2p/kg below the same price in NI. Meanwhile the O3 cow price in ROI last week increased by 5.7p/kg to the equivalent of 317.7p/kg.

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

W/E 26/02/22	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	412.4	385.8	408.8	417.7	424.0	419.1	416.3
	R3	408.4	378.4	415.3	416.3	415.8	414.6	415.5
	R4	404.8	380.4	412.0	418.7	414.7	413.5	414.7
	AVG	395.5	367.4	393.7	402.0	394.6	397.1	397.2
Heifers	U3	414.2	391.2	416.6	421.8	425.5	425.3	422.0
	R3	409.5	381.3	412.5	416.3	415.7	414.7	415.1
	R4	405.7	384.2	412.7	417.0	415.8	414.5	414.7
	AVG	397.4	374.9	389.7	396.1	389.2	393.8	392.3
Young Bulls	U3	396.9	368.3	398.5	417.9	419.0	418.6	414.3
	R3	392.4	361.4	397.9	408.0	410.3	407.5	407.9
	O3	377.7	348.5	374.2	376.8	383.7	380.7	380.5
	AVG	381.9	-	380.2	396.7	390.5	387.4	390.2
Prime Cattle Price Reported	5,264	-	6,887	6,773	7,604	4,960	26,224	
Cows	O3	313.7	317.7	318.2	322.7	319.2	317.1	319.7
	O4	314.9	317.0	321.9	326.2	323.5	319.2	323.4
	P2	276.4	290.6	280.2	280.0	280.7	274.8	279.0
	AVG	291.0	306.7	292.3	295.8	298.5	292.5	295.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.53p 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 26/02/22	Steers	Heifers	Young Bulls
U3	412.6	414.6	397.3
R3	407.0	408.2	393.6
O+3	398.1	400.9	388.3

\*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

W/E 26/02/22	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	211.8	227.1	246.7	271.0
P2	229.1	255.8	270.9	289.2
P3	218.1	270.6	280.6	295.7
O3	270.0	280.0	315.1	313.9
O4	-	-	309.4	315.1
R3	-	-	-	330.9

### LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 26/02/22	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
<b>Finished Cattle (p/kg)</b>						
Steers	240	259	250	200	239	220
Friesians	188	205	194	164	187	176
Heifers	227	257	234	180	226	203
Beef Cows	183	223	196	135	182	158
Dairy Cows	135	170	144	105	134	118
<b>Store Cattle (p/kg)</b>						
Bullocks up to 400kg	280	333	290	225	279	245
Bullocks 400kg - 500kg	250	302	270	215	249	230
Bullocks over 500kg	225	258	240	180	224	202
Heifers up to 450kg	260	319	280	205	259	225
Heifers over 450kg	220	260	240	170	219	200
<b>Dropped Calves (£/head)</b>						
Continental Bulls up to 1 month	400	555	440	285	395	340
Continental Heifers up to 3 months	350	490	415	200	345	270
Friesian Bulls up to 3 months	120	160	140	30	115	70
Holstein Bulls up to 4 months	100	150	125	1	95	50

# SHEEP TRADE

## NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 28/02/22	Next Week 07/03/22
R3 Hoggets up to 22kg	540-550p/kg	545-550p/kg

## REPORTED SHEEP PRICES

(P/KG)	W/E 12/02/22	W/E 19/02/22	W/E 26/02/22
NI L/W Hoggets	494.9	491.2	497.7
NI D/W Hoggets	541.1	530.8	533.7
GB D/W Hoggets	587.9	586.0	570.9
ROI D/W	568.4	562.2	561.3

## Deadweight Sheep Trade

Base quotes from the plants held steady this week with R3 grading hoggets in the region of 540p/kg similar quotes are expected for early next week. Last week local plants processed a total of 6,800 hoggets, back 431 head from the previous week. In the corresponding week in 2021 hogget throughput totalled 7,100 head. Hogget exports to ROI last week for direct slaughter totalled 5,551 head, 311 head less than the previous week. Last week NI deadweight hogget price increased almost 3p/kg from the previous week to 533.7p/kg. In ROI last week the average hogget price was the equivalent of 561.3p/kg back just less than a penny from the previous week.

## Liveweight Sheep Trade

The marts have continued to report smaller numbers of hoggets passing through the sales rings this week with trade generally back from previous weeks. In Swatragh last Saturday 645 hoggets sold from 446-519p/kg compared to the previous week when 388 hoggets sold from 463-509p/kg. In Massereene on Monday 574 hoggets sold from 494-527p/kg compared to 585 hoggets last week selling from 483-514p/kg. The cull ewe trade has been holding at a strong level since mid-October and has strengthened further with top reported prices for culled ewes this week ranging from £113-252 across the marts. Medium-sized ewes are now making returns seen by heavy fleshed ewes this time last year, when prices for heavy types were trading around £132-188/head.

## LATEST SHEEP MARTS (P/KG LW)

From: 26/02/22		Hoggets			
To: 03/03/22		No	From	To	Avg
Saturday	Omagh	409	474	538	-
	Swatragh	645	446	519	-
Monday	Kilrea	580	502	522	-
	Massereene	574	494	527	-
Tuesday	Saintfield	335	456	518	-
	Rathfriland	306	480	561	505
Wednesday	Ballymena	1075	480	542	500
	Enniskillen	450	490	558	-
	Armoy	395	500	570	-
	Markethill	920	500	548	-

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## Contact us

T: 028 9263 3000  
E: [bulletin@lmcni.com](mailto:bulletin@lmcni.com)  
W: [www.lmcni.com](http://www.lmcni.com)

