LMC
Livestock & Meat Commission
WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION
Saturday 19 February 2022 Issue No. 2706

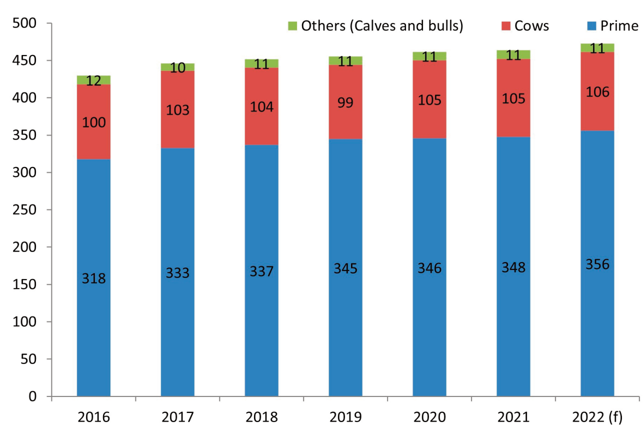
NI CATTLE SLAUGHTER FORECAST FOR 2022

This time last year, the Livestock and Meat Commission (LMC) published its cattle slaughter forecast for 2021. The actual figures for the last 12 months, now available, confirm that the projections were spot on the money. So it will be interesting to see if the Commission's forecast figures for 2022 will be equally accurate. "It's important for farmers and processors to have a strong degree of trust and reassurance in the analysis work that we carry out on their behalf throughout the year," commented LMC Chief Executive Ian Stevenson. "It's also appropriate to project ahead at this time of the year, in order to allow industry operators to help inform their own business plans with a strong degree of accuracy."

In order to compile its annual slaughter projections, LMC uses its own sophisticated software systems plus all the relevant data that it can source from stakeholder bodies in Northern Ireland, the Republic of Ireland and further afield."We also have to make a number of assumptions relating to matters such as possible cattle imports from the Republic of Ireland and the rest of the UK," Ian further explained. "But we already have many years' data on record, where these matters are concerned. In turn, this allows us to include estimates, when required, that are based on well defined annual trends. So, what are the main trends arising from the LMC's slaughter projections for 2022?

The prime cattle kill is projected to come in at 355,982 head – up from 344,373 cattle in 2021. Cow slaughterings are forecast to total 105,550 head in 2022, up from the 2021 figure of 104,694. The throughput of other cattle, which includes calves and bulls, is projected to total 11,000 head this year, down from the 11,420 figure for 2021. Total cattle throughput for 2022 is projected to reach 472,532 head: the actual figure for 2021 was 463,616. In overall terms cattle slaughterings are projected to rise by just under 9,000 head this year. This is a relatively small increase and points, very much, to a 'steady as she goes' set of affairs unfolding for 2022.

Figure 1: NI Cattle Forecast 2022



The following key assumptions were built into the LMC prediction model:

1) Live imports for direct slaughter from the Republic of Ireland to continue at current levels
2) Exports to the Republic of Ireland for direct slaughter to continue at similar levels
3) Live imports and exports to GB will be lower than previous years
4) Calf exports to the continent to remain unchanged
5) The current level of beef sires used on dairy herd to continue
6) There will be no change in relative beef price differential across the British Isles in 2022
7) There will be no substantial movement in exchange rates
8) There will be no substantial disease outbreak in 2022
9) There will be no substantial changes in disease controls
10) Northern Ireland's beef and dairy breeding herds to remain steady in 2022
11) Dairy markets to remain stable over the next 12 months

At first glance the big picture story may tell of a pretty stable scenario unfolding within the beef industry during the year ahead. But is this really the case? As Ian Stevenson went on to point out, these figures mask many of the evolving changes that are taking place at farm level within the sector. He explained: "Recent figures produced by the economic research team at Wagenignen University, on behalf of the European Round Table for Beef Sustainability, clearly confirm that livestock farmers around the world are now responding positively to the challenge of climate change. "The implementation of improved breeding techniques to improve overall beef performance is a case in point, as is a commitment to a reduced age at slaughter. "However, there is now very clear evidence to show that local beef producers are responding in equal measure, where this critically important issue is concerned. The most recent age at slaughter data here confirm this trend.

For 2021 the average age of heifers, steers and young bulls killed in Northern Ireland which were price reported during the last quarter of the year were: 25.7, 25.7 and 16.4 months. The equivalent figures for 2019 were: 26.2, 26.0 and 16.3 months.

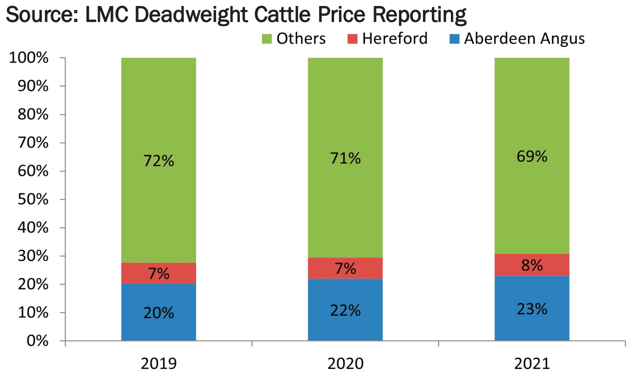
Table 1: Prime cattle age and weight at slaughter quarter 4 2021
Source: LMC Deadweight Cattle Price Reporting

	Heifers		Steers		Young bulls	
	Average Cold Weight (kg)	Average Age at Slaughter (months)	Average Cold Weight (kg)	Average Age at Slaughter (months)	Average Cold Weight (kg)	Average Age at Slaughter (months)
2019	325.3	26.2	360.4	26.0	341.9	16.3
2020	328.9	25.9	361.8	25.5	341.9	16.4
2021	327.7	25.7	364.3	25.7	343.7	16.4

Ian Stevenson again: "There is now very clear evidence to show that beef farmers in Northern Ireland recognise the need to slaughter cattle at an earlier age. Changes of this nature will act to reduce the carbon footprint of the industry as a whole. "Other trends that can be discerned from the most recent slaughter data now available include the increasing proportion of young bulls within our overall kill. Entire animals will convert feed more efficiently. The beneficial impact of this process on the carbon footprint of the beef industry as a whole is obvious." During December 2021 a total of 2,914 young bulls were slaughtered in NI the equivalent figure for December 2020 was 2,482. This represents a year-on-year increase of 17%."The figures for the year as a whole confirm that Northern Ireland's young bull throughput was up by 6% in 2021 compared to the previous 12 months," explained LMC's Chief Executive. "This trend indicates that farmers here are becoming more confident in their ability to manage young bulls and take them through to final slaughter. "The average age at slaughter for young bulls here now stands at 16.4 months. I believe there is scope to bring this figure down further during the period ahead."

The most recent slaughter-related statistics also confirm the growing number of Aberdeen-Angus sired stock within Northern Ireland's total beef throughput.

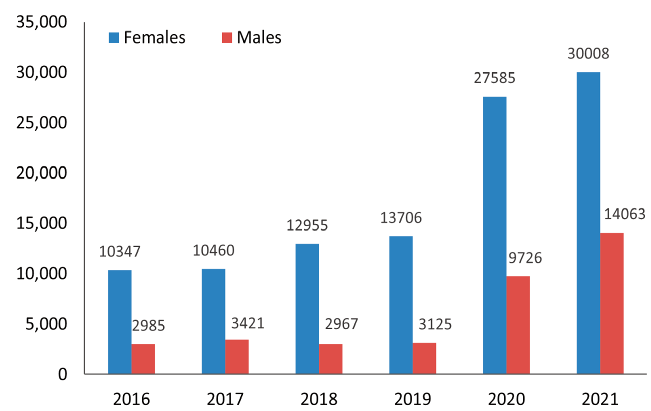
Figure 2: Proportion of AA/Hereford in NI prime kill quarter 4 2021
Source: LMC Deadweight Cattle Price Reporting



During the last quarter of 2021 Angus cattle accounted for 23% of the prime kill. For the same period in 2019, the equivalent figure was 20%. The numbers of Hereford-bred cattle coming through the system have remained at a steady 7 to 8% throughout this period. "Some forecasters had previously predicted that Angus-bred cattle numbers would start to plateau-off," said Ian Stevenson. "However, the opposite has turned out to be the case. This is a very obvious market trend that has been driven by consumer demand. "The Hereford share of our prime kill is not insignificant. And, again this is further evidence of the growing demand for beef from traditional breeds."

The most recent official data confirms that finished cattle numbers imported into Northern Ireland from Great Britain for direct slaughter have dwindled away. In 2019 the figure was 519 head of prime cattle and 3,883 cows imported, approximately halving in number during 2020 and down to zero head in 2021. "In contrast, cattle imports from the Republic of Ireland have increased significantly during the same time period," confirmed Ian Stevenson. "Last year a total of 14,582 prime cattle were imported from the Republic for direct slaughter here: in 2019 the figure was 10,831 head. "Cow imports from the Republic for direct slaughter are also on the rise. In 2021 the total amounted to 5,656 head: in 2019 the equivalent figure was 2,464." But there is also very clear evidence that increasing numbers of breeding stock and cattle for further keep are being imported from the Republic of Ireland. Official figures for last year confirm that approximately 30,000 female cattle were brought into Northern Ireland from the Republic.

Figure 3: ROI imports into NI for further breeding and production 2016 to 2021. Source: APHIS



"One must assume that the vast majority of these animals were brought in for breeding purposes," Ian Stevenson explained. However, the data relating to the number of 'nomad' cattle resident in Northern Ireland makes for even more interesting reading. According to Ian, 2021 saw 14,063 male cattle brought on to local farms from the Republic of Ireland for further production purposes. This represents a 371% increase on 2016 levels.

Last year, the total number of nomad cattle, beef sired and dairy males, resident on local farms at 31 December 2021 totalled 29,333 head. The equivalent figure for 2019 came in at 9,350 cattle. Ian continued: "In other words, the numbers of cattle coming up from the Republic of Ireland for further finishing has increased by a factor of 213% on two years ago. "This is a more than significant figure. But it does come with a significant implication for those farmers finishing these animals. "Yes the cattle will secure Northern Ireland farm quality assured status, after they have been resident on a Northern Ireland FQAS approved farm (or farms) for a continuous period of 90 days prior to slaughter. "However they will not secure Red Tractor classification because their beef is of mixed origin status. This makes the beef from these animals ineligible for labelling as British or Irish beef in UK supermarket orders." The LMC Chief Executive concluded: "Our forecasts have been compiled to give farmers and the beef industry a sense of how numbers will play out over the coming months. "However, the forecasts do not come with any additional inference, regarding future market price trends."

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 14/02/22	Next Week 21/02/22
Prime		
U-3	392 - 398p	392 - 398p
R-3	386 - 392p	386 - 392p
O+3	380 - 386p	380 - 386p
P+3	324 - 336p	324 - 336p
	Including bonus where applicable	
Cows		
O+3	280 - 300p	280 - 300p

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 12/02/22	Steers	Heifers	Young Bulls
U3	411.0	412.9	400.9
R3	405.2	406.4	393.1
O+3	396.5	399.1	381.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 12/02/22	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	202.6	220.3	232.6	242.1
P2	222.0	247.8	266.5	281.7
P3	228.6	259.7	280.7	290.3
O3	-	281.5	302.2	307.0
O4	-	-	296.0	308.2
R3	-	-	-	328.7

Deadweight Cattle Trade

Base quotes from the plants this week for U-3 grading prime cattle ranged from 392-398p/kg with similar quotes expected early next week for both steers and heifers. Quotes for good quality O+3 grade cows generally remained firm at 280-300p//kg with similar quotes expected on Monday. Most of the plants are quoting at the top end of this range and producers are encouraged to shop around to get the best deal.

Throughput of prime cattle in local plants was down slightly last week with 7,641 head processed, back 159 head from the previous week. This is up 802 head from the 6,839 prime cattle processed in local plants in the corresponding week last year. Cow throughput in NI last week was up 161 head from the previous week to total 2,407 head.

Imports of cattle from ROI for direct slaughter last week consisted of 147 prime cattle and 124 cows with no cattle imported from GB last week for direct slaughter in local plants. Exports of cattle from NI to ROI for direct slaughter consisted of 61 cows with no cattle being exported from NI to GB last week for direct slaughter.

The NI deadweight trade for prime cattle remained firm last week. The average NI steer price increased by 0.3p/kg to 398p/kg while the NI R3 steer price reported a decrease of 0.7p/kg to 406.9p/kg. The average heifer price in NI last week was 400.2p/kg, up 2.1p/kg from the previous week. Meanwhile the highest ever recorded R3 heifer price was reported in NI last week of 408p/kg. This is up 1.2p/kg from the previous week and well above the same week last year when the NI R3 heifer price was 382p/kg. The young bull trade in NI last week also remained firm with the average price up 3.5p/kg to 379.4p/kg and the R3 young bull price up 2.1p/kg to 391.4p/kg. Meanwhile last week the average cow price reported an increase of 5.8p/kg to 283p/kg while the O3 cow price reported an increase of 2.1p/kg to 306p/kg.

In GB last week the deadweight trade for prime cattle remained under pressure with prices back across most reported grades. The average steer price in GB last was 404.4p/kg, back 1.7p/kg with the R3 steer price back 0.2p/kg to 412.4p/kg. The average heifer price in GB last week was 404.7p/kg, back 0.6p/kg from the previous week with the R3 heifer price back marginally to 412.5p/kg. In the same week in 2021 the R3 heifer price in GB was 381.4p/kg, 31.1p/kg behind current levels. Meanwhile the cow trade in GB remained firm last week with the average cow price up 5.7p/kg to 283.9p/kg. The O3 cow price reported an increase of 5.1p/kg to 302.5p/kg, 3.5p/kg behind NI levels.

Deadweight cattle prices in ROI last week remained firm. The R3 steer price in ROI last week increased by 5.9p/kg to the equivalent of 371.3p/kg, 35.6p/kg behind current NI levels. The R3 heifer price in ROI also reported an increase last week of 6.7p/kg to the equivalent of 375.6p/kg. The O3 cow price in ROI was up by 5.5p/kg to 309.2p/kg, 3.2p/kg above the same price in NI.

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

W/E 12/02/22		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	409.9	379.1	405.6	414.3	418.0	420.2	413.1
	R3	406.9	371.3	409.2	416.4	412.4	410.6	412.4
	R4	408.2	374.7	408.4	416.1	411.9	415.7	411.9
	O3	394.5	360.6	399.9	400.3	390.9	391.4	394.5
	AVG	398.0	-	405.9	409.1	400.5	401.5	404.4
Heifers	U3	412.8	385.6	415.5	419.7	423.5	421.1	419.9
	R3	408.0	375.6	412.9	411.1	415.2	409.8	412.5
	R4	404.9	378.0	411.5	414.1	412.0	411.3	412.2
	O3	398.2	368.0	393.0	400.8	390.3	387.5	392.5
	AVG	400.2	-	409.2	406.2	402.7	399.6	404.7
Young Bulls	U3	398.9	363.3	400.5	404.8	403.5	415.1	405.0
	R3	391.4	356.5	397.2	405.5	409.6	393.2	404.9
	O3	375.4	344.5	376.5	373.2	371.1	372.6	373.5
	AVG	379.4	-	384.9	383.7	386.1	384.4	385.1
Prime Cattle Price Reported		6,263	-	6,900	6,591	7,596	4,733	25,820
Cows	O3	306.0	309.2	301.1	302.8	302.2	303.9	302.5
	O4	308.1	308.3	303.3	306.9	303.3	306.8	305.2
	P2	268.5	285.0	257.0	259.9	265.1	266.6	264.5
	P3	285.1	298.4	272.4	279.8	284.4	282.0	282.6
	AVG	283.0	-	297.8	290.7	279.4	279.2	283.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.30p 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 12/02/22	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	230	256	243	200	229	215
Friesians	185	198	191	-	-	-
Heifers	225	249	236	180	224	205
Beef Cows	180	228	195	135	179	160
Dairy Cows	136	188	141	100	135	117
Store Cattle (p/kg)						
Bullocks up to 400kg	270	346	295	225	269	245
Bullocks 400kg - 500kg	250	325	270	215	249	230
Bullocks over 500kg	230	253	240	190	229	205
Heifers up to 450kg	260	314	280	200	259	225
Heifers over 450kg	225	255	240	170	224	205
Dropped Calves (£/head)						
Continental Bulls up to 3 months	350	455	400	250	345	300
Continental Heifers up to 3 months	330	415	370	200	325	250
Friesian Bulls up to 3 months	170	315	230	50	165	105
Holstein Bulls up to 3 months	130	230	165	1	125	80

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 14/02/22	Next Week 21/02/22
R3 Hoggets up to 22kg	545 - 550p/kg	540p/kg

REPORTED SHEEP PRICES

(P/KG)	W/E 29/01/22	W/E 05/02/22	W/E 12/02/22
NI L/W Hoggets	505.4	512.6	494.9
NI D/W Hoggets	529.5	541.3	541.1
GB D/W Hoggets	577.6	587.4	587.9
ROI D/W	545.2	563.6	568.4

Deadweight Sheep Trade

Quotes for R3 grade hoggets remained steady this week in the region of 540p/kg up to 22kg with similar quotes expected for early next week. Hogget throughput increased last week by 1,031 head with a total of 7,932 head processed locally. In the corresponding week last year 7,433 hoggets were processed in local NI plants. A further 4,964 hoggets were exported to ROI last week, down 247 head from the previous week. The average NI deadweight hogget price decreased slightly to 541.1p/kg while the average deadweight hogget price in ROI increased by 4.8p/kg to 568.4p/kg.

Liveweight Sheep Trade

Steady numbers of hoggets passed through the sale rings this week with trade generally back from last week. In Swatragh on Saturday 830 hoggets sold from 413-495p/kg compared to 768 hoggets sold from 498-521p/kg. On Monday in Masereene 706 hoggets sold from 485-517p/kg compared to 506 hoggets sold from 496-533p/kg. This week in Rathfriland 562 hoggets sold from 480-522p/kg (avg 500p/kg) compared to 400 hoggets sold from 495-541p/kg (avg 523p/kg). On Markethill on Thursday 1030 hoggets sold from 460-498p/kg compared to 950 hoggets sold from 500-537p/kg last week. Top reported prices for culled ewes ranged from £138-£220 this week.

LATEST SHEEP MARTS (P/KG LW)

From: 12/02/22		Hoggets			
To: 17/02/22		No	From	To	Avg
Saturday	Omagh	660	482	528	-
	Swatragh	830	413	495	-
Monday	Kilrea	400	497	518	-
	Massereene	706	485	517	-
Tuesday	Saintfield	555	470	530	-
	Rathfriland	562	480	522	500
Wednesday	Ballymena	1601	480	541	495
	Enniskillen	464	502	540	-
	Armoy	314	480	538	-
	Markethill	1030	460	498	-

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