Saturday 04 March 2023

Issue No. 2758

# TIGHTER SUPPLIES DRIVING A STRONG STORE CATTLE TRADE IN NORTHERN IRELAND

Reports from the marts have indicated a firm trade for store cattle passing through the sale rings across NI in recent weeks and months. Analysis of APHIS data indicates there are fewer young cattle on NI farms this year when compared to previous years however with deadweight beef prices reaching record levels in recent weeks there is competition around the ring for good quality store cattle and liveweight prices are running ahead of previous years.

Due to the variability of the quality and type of cattle sold through the sale yards in any given week it is difficult to draw a comparison based on the price paid alone within a particular weight bracket on a week to week basis. It is however possible to identify trends by looking at average prices over a longer period of time.

Figure 1 and 2 displays the weekly average price per head of 300-400kg steers and heifers across the NI livestock marts between January 2021 and February 2023.

As outlined in **Figure 1** the weekly average price per head paid for 300-400kg steers in recent weeks is notably higher than the corresponding period of previous years.

A similar trend can be observed in weekly average heifer prices within the same weight bracket during the year to date as **Figure 2** illustrates, and this differential has increased in recent

The maintenance of a firm trade in the sale rings for good quality store cattle has been welcomed by primary beef producers and producers selling forward stores given the difficult production conditions experienced during 2022 resulting from increased costs of production.

The firm trade for good quality store cattle in the marts can be attributed to a combination of several key factors. Tighter supplies of cattle on NI farms has increased competition for the cattle available.

At the end of February 2023 there were 173,212 beef sired cattle aged 18-24 months on NI farms compared to 180,242 head at the close of February 2022. This decline by 7,030 head represents a 3.9 per cent decline in the number of beef cattle within this age bracket.

Meanwhile the number of male dairy origin cattle on the ground aged 18-24

Figure 1. Stores - weekly average price paid in Northern Ireland for 300-400kg steers 2021 - 2023. (£/head) Source: DAERA.

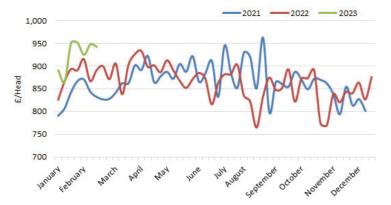
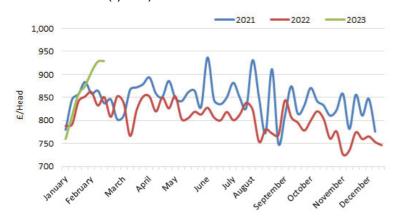


Figure 2. Stores - weekly average price paid in Northern Ireland for 300-400kg heifers 2021 - 2023. (£/head) Source: DAERA.



months has also declined by 1,180 head, from 9,457 head in Feburary 2022 to 8,277 in Feburary 2023. This represents a decline of 12.5 per cent over the course of the year as outlined in **Figure 3**.

There have also been reductions recorded in the number of cattle intended for beef production aged 6-18 months old and 24-30 month old cattle on NI farms, back by 1.4 and 0.1 per cent respectively when comparing February 2022 and February 2023.

This drop in the number of cattle on the ground cannot however be attributed to a reduction in calf registrations on NI farms over the past six months. The number of beef sired cattle under six months old was the only catte age category recording an increase in numbers on local farms this February. up by 5.424 head while the number of dairy sired male cattle was back 5,031 head or 22.3 per cent year on year, seeing the category record an overall increase of 0.3 per cent or 393 head. Recently published NI census data from June 2022 has also recorded a marginal increase in total cattle and calf numbers of 0.3% relative to June 2021.

Reduced levels of imports from ROI for further feeding has also increased competition for NI born cattle available and helped maintain strong liveweight prices in the local marts.

During 2023 to date 2,231 cattle over six months old have been imported onto NI farms from ROI for further breeding and production. This is less than half of the 5,138 ROI born cattle over six months old imported onto NI farms in the corresponding period of 2022. This reduction in the number of cattle being imported from ROI has increased the demand for NI born livestock and thus helped to firm prices in the sale rings.

The second major cost of beef finishing is the cost of feed and producers also have little control over this as cereal prices are driven by supply and demand and are heavily impacted by the weather during the previous growing and harvesting season.

Early last year, while cattle prices were rising sharply, producers were apprehensive to push cattle on to early finish due to the pressure being put on margins by rising feed costs. This was a feature of beef production during 2022 that had forced some producers to reappraise their production systems

and react by selling store cattle earlier than they normally would.

High barley prices remain a feature of beef production in NI as outlined in **Table 1** and is likely to have a significant impact on smaller scale producers who would have fed cattle. Many producers who had limited or poorer quality forage supplies due to production conditions experienced last summer should consider feed costs while they remain historically high and fuel and fertiliser costs remain an issue, but the strong store cattle trade in NI currently may provide an outlet for cattle.

Beef finishers have limited scope to determine the price they receive for their finished cattle and in this scenario of tight cattle supplies beef finishers have limited control over the price they have to pay for quality store cattle if they want to maintain the scale of their beef enterprise.

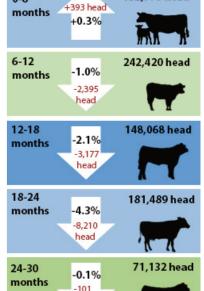
Producers should aim to buy store cattle that suit their production system and consider the economics of keeping these cattle to sell for further finishing or to take them right through to slaughter. Producers who intend to take cattle right through to finish should try to maximise market returns by producing the type of cattle that the market wants and altering their productions systems accordingly. Producers are encouraged to liaise with the individual processors regarding market specifications and the types of cattle that they have a market outlet for.

In general producers have limited control over the cost of their inputs but they do have control over the efficiency of their production system. However for improvements in efficiency to be achieved producers must first know their costs of production and only then can they identify areas where they can improve.

For a beef enterprise it is important that producers know how much it costs their farm business to produce 1kg liveweight, the carrying cost of a suckler cow, if a breeding herd is in place, and

Figure 3: Total cattle for beef production on NI farms at 28 February 2023 by age category and the change from 28 February 2022. Source: APHIS.

152,779 head



head

-2.7%

7.947

Over 30

nonths

what price they need to achieve to leave a margin. When producers are monitoring this information they can alter production systems to try and increase output and reduce costs to maximise returns.

290.629 head

The NI farm business discussion groups and CAFRE benchmarking programs are an excellent source of support for farmers who want to improve their efficiency. The programme allows producers to gauge their own progress by comparing their farms with other similar enterprises to identify improvement measures.

For further information on benchmarking your farm business contact CAFRE Benchmarking on 028 9442 6771 or visit the website at www.cafre.ac.uk

Table 1: Average weekly price of barley, straw and silage in Northern Ireland January & February 2021 - 2023. Source: DAERA.

	Barley (£/tonne)	Straw (£/round bale)	Silage (£/round bale)
2021	198.4	20.2	17.8
2022	254.6	21.8	22.4
2023	256.9	20.5	28.1

#### FQAS Helpline

## **WEEKLY BEEF & LAMB MARKETS**



## CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE						
(P/KG DW)	This Week 27/02/23	Next Week 06/03/23				
Prime						
U-3	450 - 466p	450 - 466p				
R-3	444 - 460p	444 - 460p				
0+3	438 - 454p	438 - 454p				
P+3	382 - 398p	382 - 398p				
	Including bonus	where applicable				
Cows						
0+3	358 - 374p	358 - 374p				

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 25/02/23	Steers	Heifers	Young Bulls
U3	480.0	481.7	469.7
R3	474.4	475.6	461.4
0+3	466.1	466.1	450.7

<sup>\*</sup>Prices exclude AA, HER and Organic cattle

#### REPORTED COW PRICES NI - P/KG

W/E		Weight Bands						
25/02/23	<220kg	220-250kg	250-280kg	>280kg				
P1	273.7	288.9	300.9	320.4				
P2	301.1	327.5	345.9	359.0				
Р3	300.1	339.5	367.3	369.5				
03	-	389.4	385.5	384.4				
04	-	-	386.5	386.1				
R3	-	-	410.0	403.5				

#### **SHEEP TRADE**

### NI SHEEP BASE QUOTES

6 2 4.6.1						
(P/Kg DW)	This Week 27/02/23	Next Week 06/03/23				
R3 Hoggets up to 22kg	510 - 530p	520 - 530p				

#### REPORTED SHEEP PRICES

(P/KG)	W/E 11/02/23	W/E 18/02/23	W/E 25/02/23	
NI L/W Hoggets	467.3	472.9	477.3	
NI D/W Hoggets	513.2	521.8	521.1	
GB D/W Hoggets	496.9	511.3	510.6	
ROI D/W	536.7	536.2	530.3	

#### **Deadweight Cattle Trade**

The deadweight cattle trade in NI strengthened this week with base quotes from the plants ending this week ranging from 450-466p/kg for in spec U-3 grade prime cattle. Base quotes for good quality 0+3 grading cows this week ranged from 358-374p/kg. Similar quotes are expected for all types of cattle early next week. With the range in quotes provided producers are encouraged to shop around the plants to get the best possible deal for their cattle and use these base quotes as a starting point for negotiation.

Prime cattle throughput in NI plants last week totalled 7,276 head, a decrease of 185 head from the previous week and back 394 head when compared to the 7,670 prime cattle processed in the corresponding week in 2022. Meanwhile cow throughput in NI plants last week decreased by 135 head to 2,225 cows from the previous week. This is 64 head more than the 2,161 cows processed in local plants in the same week last year.

Imports of prime cattle from ROI for direct slaughter last week included 161 prime cattle back 59 head from the previous week. Cow imports totalled 66 head, back 32 head from the previous week. Prime cattle imports from ROI for direct slaughter during 2023 to date have totalled 1,202 head, similar to the same period in 2022 when 1,177 prime cattle were imported. Meanwhile cattle exports out of NI to ROI for direct slaughter last week included one steer and 28 cows. This brings the total year to date cattle exports to 27 prime cattle and 408 cows, compared to the same period in 2022 when 42 prime cattle and 442 cows were exported to ROI for direct slaughter.

The average steer price in NI last week increased by 2.6p/kg to 466.9p/kg, with the R3 steer price up by 3.2p/kg to 476.6p/kg when compared to the previous week. The average heifer price in NI last week increased by 2.5p/kg to 467.7p/kg with the R3 heifer price up by 2.8p/kg to 476.7p/kg. The average young bull price in NI last week was 446.3p/kg, up 0.7p/kg from the previous week while the R3 young bull price increased by 0.6p/kg to 460.9p/kg. The cow trade in NI improved last week with the average cow price up by 1.7p/kg to 354.8p/kg and the O3 cow price increasing by 2.1p/kg to 384.5p/kg.

The average steer price in GB last week was up 5.5p/kg from the previous week to 479.5p/kg with the average R3 steer price up by 5.2p/kg to 486.6p/kg. The average heifer price in GB last week increased by 4.2p/kg to 477.9p/kg while the average R3 heifer price increased by 5.5p/kg to 487p/kg. Last week the O3 cow price in GB was up almost 6p/kg to 401.7p/kg, 17.2p/kg higher than the O3 grade cow price in NI last week.

In ROI last week the cattle trade decreased in euro and sterling terms across all price reported grades from the previous week. The R3 steer price decreased by the equivalent of 2.9p/kg to 466.8p/kg with the R3 heifer price back 3.5p/kg to the equivalent of 469.7p/kg. The O3 cow price in ROI last week recorded a decline of 2.5p/kg to the equivalent of 399.5p/kg, 15p/kg above the O3 grade cow price in NI.

#### **Deadweight Sheep Trade**

Base quotes from the plants for R3 grading lambs ended this week ranging from 510-530p/kg up to 22kg across the plants. Quotes for early next week are expected to be in the region of 520-530p/kg. The local processors have reported strong numbers of hoggets coming forward with throughput last week totalling 9,061 head. In the corresponding week in 2022 hogget throughput totalled 6,800 head. Exports of hoggets to ROI for direct slaughter last week increased 859 head from the previous week to total 5,799 hoggets. The average deadweight hogget price in NI last week recorded a slight decline of 0.7p/kg to 521.1p/kg with the average deadweight hogget price in ROI back by 5.9p/kg from the previous week to the equivalent of 530.3p/kg last week.

#### Liveweight Sheep Trade

The marts have reported a firm trade this week with a steady demand for good quality hoggets. In Kilrea this week 600 hoggets sold from 482-511p/kg compared to 600 hoggets last Monday selling from 482-506p/kg. In Markethill on Monday 430 hoggets sold from 480-512p/kg compared to 380 last week selling from 480-496p/kg. In Rathfriland this week 303 hoggets sold from 470-512p/kg (avg 480p/kg) compared to 330 hoggets last week selling from 464-490p/kg (avg 470p/kg). On Wednesday in Enniskillen 448 hoggets sold from 470-512p/kg compared to 422 hoggets last week selling from 440-502p/kg. In Armoy this week a similar trade to last week with 320 hoggets selling from 475-545p/kg. Top reported prices for cull ewes ranged from £140-250.

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

	/E 2/23	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
	U3	480.4	472.9	486.8	492.6	496.9	494.2	491.9
	R3	476.6	466.8	486.1	487.3	486.9	486.0	486.6
Steers	R4	474.3	468.6	488.8	491.5	488.0	486.8	489.3
	03	464.4	457.5	465.6	470.4	466.9	461.2	466.3
	AVG	466.9	-	484.1	482.3	476.7	473.5	479.5
	U3	482.0	481.6	493.5	494.6	504.5	494.7	497.1
	R3	476.7	469.7	487.3	486.2	489.2	484.2	487.0
Heifers	R4	474.0	472.8	489.7	487.8	487.0	485.0	488.1
	03	463.7	465.3	464.3	468.2	463.8	459.0	463.7
	AVG	467.7	-	487.2	479.6	476.2	467.0	477.9
	U3	468.9	462.6	475.9	487.1	483.8	490.0	482.7
Young	R3	460.9	453.5	475.2	474.0	474.9	477.5	474.9
Bulls	03	445.3	441.5	452.0	444.6	443.7	449.5	445.4
	AVG	446.3	-	464.3	457.0	453.2	463.5	456.7
	Cattle eported	6,153	-	6,507	6,996	7,008	5,280	25,791
	03	384.5	399.5	405.1	404.0	401.0	396.9	401.7
	04	386.1	398.7	408.3	405.7	401.2	397.7	402.6
Cows	P2	346.5	366.4	359.4	362.7	357.9	360.5	359.6
	Р3	367.9	386.2	375.6	383.8	374.4	379.1	377.4
	AVG	354.8	-	403.6	384.3	372.7	368.4	378.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.20p 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	<b>1</b> s	1st QUALITY			2nd QUALITY		
25/02/23	From	То	Avg	From	То	Avg	
Finished Cattle (p/kg)							
Steers	285	319	292	212	284	247	
Friesians	215	236	222	192	214	205	
Heifers	265	304	278	210	264	232	
Beef Cows	236	295	255	180	235	212	
Dairy Cows	155	188	170	90	154	122	
Store Cattle (p/kg)							
Bullocks up to 400kg	300	343	320	235	299	255	
Bullocks 400kg - 500kg	270	337	290	200	269	235	
Bullocks over 500kg	260	315	280	205	259	230	
Heifers up to 450kg	300	585	320	220	299	250	
Heifers over 450kg	260	342	280	200	259	225	
Dropped Calves (£/head)							
Continental Bulls	380	530	430	250	375	310	
Continental Heifers	350	515	385	220	345	280	
Friesian Bulls	60	100	70	12	55	30	
Holstein Bulls	80	220	110	2	75	40	

### LATEST SHEEP MARTS (P/KG LW)

From: 2	25/02/23		Hog		
To: 02	To: 02/03/23		From	То	Avg
Saturday	Swatragh	820	490	520	-
	Omagh	592	465	505	-
Monday	Kilrea	600	482	511	-
	Markethill	430	480	512	-
Tuesday	Saintfield	525	485	535	-
	Rathfriland	303	470	512	480
Wednesday	Ballymena	1481	445	548	493
	Enniskillen	448	470	512	-
	Armoy	320	475	545	-

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# **MONTHLY NEWS**

Saturday 04 March 2023

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# VISION DOCUMENTS PUT SHEEP SECTOR ON THE FRONT FOOT

In March 2022 Future Agricultural Policy Decisions for Northern Ireland were announced by then Agriculture Minister Edwin Poots MLA. No proposals for support to incentivise productivity in breeding ewes were brought forward at that time. However, the summary paper published in March 2022 indicated that work would be undertaken to explore options for support that would improve the overall performance and resilience of the sheep sector.

Hence the absolute significance for the sector of the 'vision documents' recently produced by the Northern Ireland (NI) sheep industry task force. Two inter-related publications have been produced: a vision for the development of the NI sheep industry and a vision for stimulus packages to support the development.

The Livestock and Meat Commission (LMC) has been centrally involved with the work of the taskforce. Also involved are: the Ulster Farmers' Union (UFU); the Northern Ireland Meat Exporters Association (NIMEA); the Northern Ireland Agricultural Producers' Association (NIAPA) and the National Sheep Association (NSA).

The over-arching objective of the task force has been to deliver a resilient, vibrant and sustainable sheep industry. It will be a sector that uses leading edge technologies to deliver safe high-quality meat and wool through increased productivity. It will also add value by increasing carbon sequestration, reducing greenhouse gas intensity and enhancing landscape biodiversity. Critical within all of this will be the need to maintain the mosaic landscape of Northern Ireland's hills and uplands, while also securing social cohesion.

Delivering this level of resilience will be achieved through the outworking of the following five priority action points:

- To increase the access to quality data and the use of that data by developing a national data base and access framework.
- To increase animal productivity through high animal health and welfare standards, genetic improvement, and resource planning.
- To increase environmental sustainability through reducing greenhouse gas emissions, sequestering carbon, improving soil and water management, and increasing biodiversity on farms through, for example, including multi species grass mixes, and legumes into crop and grassland management plans.
- To increase access to knowledge transfer and knowledge exchange to update knowledge and skills and demonstrate best practice through peer-to-peer learning and the training and provision of technical consultants within the supply chain
- To maximise market opportunity for meat and wool through market development and improved supply chain feedback.

Previous studies have shown that the presence of sheep production in the rural economy is vital to both the social and cultural capital of rural regions particularly as they are often located in marginal or economically disadvantaged areas. There are a range of sheep breeds used in NI from hill to lowland breeds and all are vitally important in delivering a productive and profitable national flock.

LMC Chief Executive Ian Stevenson commented: "Sheep farming is part of the fabric of NI agriculture, with almost 4 in 10 farm businesses contributing to sheep production. At a very fundamental level the sector supports primary producers and their families, but also generates employment throughout the supply chain and the wider economy." Ian continued: "LMC is committed to working with industry stakeholders to enhance productivity while

meeting attainable sustainability targets. Supporting the vision of the sheep industry taskforce will help build resilient and dynamic farm businesses, in turn safeguarding this vital sector for future generations."

The task force is chaired by UFU deputy president John McLenaghan. He commented: Over the course of the last few months, the NI sheep industry has come together and formed an industry taskforce. "Its focus has been to look at how possible future agricultural support might be used to address issues within the sector and make it more resilient, efficient and capable of dealing with future challenges. "One key objective was to produce a robust evidence-based report outlining the industry's vision for the sector, so I hope you take time to read it along with our 'vision for stimulus packages to support the development of the NI sheep industry."

#### Maintaining current levels of primary production

As the vision document rightly points out, the activity of sheep farming contributes significantly to the wider rural economy through its upstream and downstream demand for services including specialist contractors. It is widely accepted that one job in agriculture generates a further one-point-five jobs in the wider

The contribution of the sector to the wider employment and output of NI will be heavily influenced by having a critical mass of primary production. As a consequence, a decline in primary production diminishes the need for up and downstream businesses and as these ancillary businesses disappear, particularly in fragile rural communities, then the ability to maintain primary production is compromised and a cycle of economic decline will begin.

Indeed, there is already a recognised shortage of specialist sheep veterinarians and sheep husbandry technical consultants and scientists that could compromise some of the ambition of this vision statement. Consequently, the first component of a vision for the future of the NI sheep sector is to maintain the critical mass needed to secure the infrastructure needed to develop the sector and secure a level of profitability to pay family labour and support future capital investment needed to build resilience.

The starting point for that critical mass is the current level of physical output of meat and wool. The longer-term future would be better secured if productivity was increased and output grew. Securing extra output can come from extra breeding animals or more yield from existing breeding animals. The members of the task force view the latter option as the best route for development to follow

#### Resilience

The second component of the vision for the NI sheep sector is to secure the long-term capability of the natural capital used in sheep farming and enhance the delivery of public goods. This includes carbon capture and sequestration, soil quality and water management while at the same time reducing greenhouse gas emissions from sheep production over the next decade. This vision for the NI sheep sector will only be delivered if each individual business is resilient. Farms must be economically viable to the extent that investments can be made to enable the animals and the land used to deliver productivity gains. These productivity gains will be delivered by capturing genetic gains from the breeding sheep used, improved animal health and welfare, soil, and grassland management.

#### Stimulus packages

The stimulus programme envisaged by the sheep taskforce seeks to encourage capital investment and adoption of best practice to drive resilience, animal productivity, skills development and

reduced greenhouse gas emissions. To encourage actions to build resilience and animal productivity requires on farm infrastructure to allow the collection of on farm data and to simplify the handling of sheep to improve animal health and welfare. Examples of such infrastructure include mobile dippers and sheep handling pens as well as the integration of information technology to measure and record key performance indicators into equipment like weigh crates and sheep handling equipment. These investments can take many years to deliver cost savings or productivity gains to cover the initial investment. Access to capital grants would provide a stimulus for infrastructure investment.

Skills development and attendance at knowledge exchange events, either in person or virtually, would encourage the adoption of best practice and new technologies. In-person attendance would have additional health and wellbeing benefits for those attending through the social interaction that would occur. Skills updating could be introduced as a condition of access to targeted sheep enterprise development support.

Image 1: The NI sheep taskforce has outlined its proposal for a sustainability package to the NI sheep sector.



Improving animal health and welfare has been identified as a key component of improving productivity. A starting point to this is the development of sheep health plans with the assistance of the farmers veterinary surgeon. For some businesses, the professional fees associated with the preparation and monitoring of annual health plans can be significant when compared to the annual gains in income they facilitate. The preparation of an annual health plan should be a condition of access to targeted sheep enterprise development support.

Further resilience for the industry will come from the increased use of improved genetics within the flock. This action is currently constrained by a lack of availability of performance recorded ewes and rams within Northern Ireland (NI). Targeted sheep enterprise support should include provision of a stimulus to increase the genetic merit of the NI sheep flock.

And, finally, the availability of a crisis management package is also envisaged for the sheep sector.

In summary the vison put forward by the sheep industry taskforce has been proposed to ensure that full advantage can be taken of the opportunity to develop a sustainable agricultural industry in which sheep farmers are supported on an equitable basis to make best use of the assets at their disposal and enabling them to invest in all forms of capital - physical, environmental and human. Advancement of bespoke stimulus measures will ensure the delivery of a profitable, productive, environmentally sustainable, resilient and supply chain focused sheep industry in Northern Ireland.



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