LMC
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SHEEP INDUSTRY REMAINS AN IMPORTANT CONTRIBUTOR TO NI AGRICULTURE IN 2022

Throughput

During 2022 the local prime sheep kill totalled 448,166 head. This was the highest lamb/hogget throughput in local processing plants for seven years, with 2015 being the last time a higher throughput was recorded which totalled 467,320 head. Moreover, 2022 throughput was 6.6 per cent ahead of the 5 year average as outlined in **Table 1.** Year on year 2022 lamb/hogget slaughterings were 19,525 head or 4.6 per cent ahead of throughput during 2021 when a total of 428,641 lambs were processed in local plants.

By quarter during 2022, quarter 1 reported a 2.1 per cent reduction in throughput in local plants year on year however the market was sustained with increased demand from ROI plants for NI lambs during quarter 1 which saw export levels up by 28.5 per cent year on year.

Despite 2022 offering a favourable grass growing spring in NI high input costs resulted in spring lambs being slower to come onto the market. During 2021 spring lambs penetrated the market during w/e 27 March, however during 2022 this was a fortnight later during the w/e 9 April. This had some impact during the quarter 2 period when throughput fell behind 2021 levels by 2.2 per cent. However, in ROI unfavourable spring conditions resulted in a slower grass growth delaying lamb turn out and time to slaughter. Exports to ROI for direct slaughter accounted for 39.6 per cent of all NI prime sheep available for slaughter in the first half of the year.

The impact of the weather on lamb performance in NI reoccured with the unsettled conditions during summer 2022 impacting lamb performance at grass and increasing finishing periods with reports from the marts of large store lamb sales, however the throughput in local plants was relatively unchanged during quarter 3, when the kill for the period was running just 0.5 per cent lower than 2021 levels. This was followed with a substantial uplift in the kill in the final quarter by 24,258 head or 22.7 per cent, the overall kill for 2022 was 4.6 per cent higher than 2021 levels.

This increase in throughput was most signficant during December when the NI lamb kill was 31.5 per cent (8,885 head) higher than 2021 levels. This is a substantial increase and reflects a trend which was common throughout most of the final quarter of 2022. It remains to be seen whether throughput in early 2023 will be tighter as a result of this increased kill in late 2022.

In recent weeks the NI hogget kill has generally been strong with hogget throughput during the first three weeks ending 21 January 2023 totalling 25,894 head. This is up 20.8 per cent on the corresponding period in 2022 when 21,432 hoggets were killed locally. While the number of hoggets presented for slaughter in NI plants has remained fairly strong during 2023 to date, the hogget kill in NI last week totalled 7,758 head, a decline of 1,803 head from the previous week. The major NI processors have responded with a strengthening in base quotes which indicate an improvement in the direction of the hogget trade.

Carcase Weights

During 2022 the average hogget/lamb carcase weight processed in local plants was 22.1kg compared to an average of 21.9kg during 2021. This 0.2kg increase in the average carcase weight demonstrates the abilities of NI producers to overcome the unfavourable production conditions on NI farms last year notably the increased cost or concentrates and challenging grass growing period. The 4.6 per cent increase in lamb throughput combined with the 0.2kg increase in average carcase weights processed in local plants contributed to an increase in total lamb production last year. The volume of lamb handled by NI processors during 2022 totalled 9,859 tonnes, a 5.3 per cent increase on the same period in 2021.

Ewes and Rams

Ewe and ram throughput in NI during 2022 totalled 28,168 head, an 8.7 per cent decrease on the same period in 2021. The decline in ewe and ram throughput locally was combined with a 0.5kg decrease in carcase weights year on year, from 27.5kg in the 2021 period to 27kg in the 2022 period. This has resulted in a 10.4 per cent decline in the volume of meat processed from ewes and rams year on year.

Deadweight Trade

A strong throughput and overall performance by the NI lamb sector during 2022 was met with pressure on the deadweight lamb/hogget trade. **Figure 1** displays the average deadweight prime sheep price in NI during 2018-2022. The graph shows the average price paid during the first half of 2022 remained behind 2021 levels from January to June, before peaking at 649.3p/kg during the w/e 18 June. From this point until August a weakening trend in trade was seen in line with seasonal trends, and since November 2022 to date the deadweight hogget/lamb price has remained behind 2021 levels.

On average the R3 lamb/hogget price in NI over the 52 week period of 2022 was 550.3p/kg, compared to 561p/kg during 2021. This decrease of 10.7p/kg year on year equates to a decline of £2.35 on the value of a 22kg carcase.

According to the latest available figures from DAERA the average deadweight hogget price in NI during 2023 to date has been on average 34.9p/kg behind the price paid during the corresponding three week period of 2022. Similar reports of pressure on the deadweight lamb/hogget trade have been reported in GB In recent weeks where prices for hoggets are also substantially back on last year.

Figure 1: Weekly average deadweight lamb/hogget price in Northern Ireland 2018-2022.
Source: DAERA

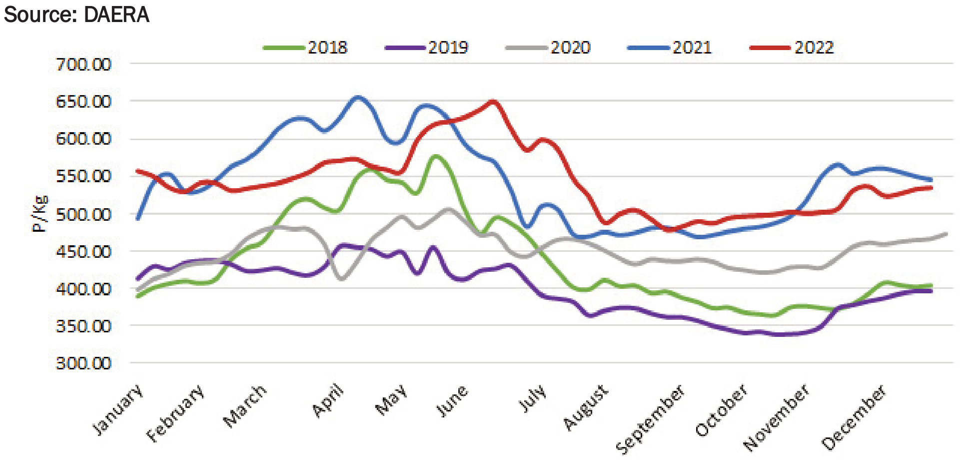

Table 1. Output from the NI sheep industry from 2018-2022 and the 5 year average.
Source: DAERA

		2018	2019	2020	2021	2022	5 year average
Lambs/ Hoggets	Slaughterings (Head)	395,600	385,694	443,141	428,641	448,166	**420,248**
	Average Carcase Weight (Kg)	21.6	22.3	21.8	21.9	22.1	**22.0**
	Production (Tonnes)	8,532	8,538	9616	9,362	9,859	**9,182**
	Exports to ROI	356,201	327,340	313,537	268,526	287,303	**310,581**
Ewes & Rams	Slaughterings (Head)	24,744	29,625	23,510	30,862	28,168	**27,382**
	Average Carcase Weight (Kg)	27.1	29.0	28.3	27.5	27.0	**27.8**
	Production (Tonnes)	679	856	659	844	756	**759**
	Exports to ROI	65,164	53,091	49,410	34,078	30,663	**46,481**

Reduced Lamb Demand in GB

In GB last week the average deadweight hogget price was 502.5p/kg, back 83p/kg on the same week last year when it was 585.5p/kg. Year on year this is a reduction of £18.26 on the value of a 22kg carcase. According to Kantar Worldpanel this is the consequence of demand for lamb remaining weak in GB with higher retail prices being the key factor in the reduced level of consumption.

According to Kantar Worldpanel demand for lamb has been decreasing in GB attributed to increasing cost. Despite a year on year uplift of sales of lamb roasting joints during the month of December the 52 week picture for the period ending 25 December 2022 recorded volume sales of lamb were down by almost 18 per cent compared to the same period in 2021. This is quite concerning since sales in 2021 were also lower than previous years levels. The reduced sales have been driven to some extent by reduced penetration of lamb. Price was a clear factor in these changes in demand with retail prices up on average by 9.7 per cent year on year and a similar decline in overall expenditure on lamb which was down by almost ten per cent compared to 2021

Cross Border Lamb Trade

Despite a depressed level of lamb consumption in GB the demand for NI lamb remains strong with ROI providing an important outlet for the local industry. An average of almost 5,170 head per week were exported from NI during 2021 and high weekly levels continued throughout 2022 as mentioned.

During the first half of 2022 exports to ROI grew relative to 2021 levels. An average of around 4,700 head were exported weekly from NI farms for direct slaughter in ROI. This compares with around 3,600 per week during the same period in 2021, and is on average, 1,080 head per week more than in the same period of 2021. In the second half of 2022 a weekly average of almost 6,350 head were exported to ROI in the period from July to December compared to 6,700 during the corresponding period of 2021.

During 2022 prime sheep exports to ROI processing plants for direct slaughter totalled 287,303 head as outlined in **Table 1.** This represents an increase of 18,777 head or a seven per cent increase year on year with exports to ROI accounting for 39 per cent of total lamb/hogget output from NI producers. This proportion has remained relatively steady when compared to 2021 when a total of 268,526 lambs/hoggets were exported from NI for direct slaughter in ROI plants and accounted for 38.5 per cent of total NI lamb output.

Exports of cull sheep for direct slaughter in ROI continued to decline for the fourth consecutive year to total 30,663 head. The total output of ewes and rams from the NI sheep flock declined for the fifth consecutive year to total 58,831 head.

Total lamb output from NI sheep producers during 2022 has been 5.5 per cent ahead of the previous year at 735,469 head. A similar situation has been reported in ROI where throughput last year was also considerably ahead of the previous year and as mentioned it is anticipated a tightening in hogget supply will be experienced in the coming months.

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 23/01/23	Next Week 30/01/23
Prime		
U-3	434 - 450p	440 - 454p
R-3	428 - 444p	434 - 448p
O+3	422 - 438p	428 - 442p
P+3	366 - 382p	372 - 386p
	Including bonus where applicable	
Cows		
O+3	340 - 364p	344 - 370p

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 21/01/23	Steers	Heifers	Young Bulls
U3	466.4	469.3	454.6
R3	462.2	461.3	449.3
O+3	454.9	453.2	444.0

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 21/01/23	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	258.9	276.2	294.5	308.6
P2	285.3	309.5	336.3	348.4
P3	294.3	302.9	347.7	356.3
O3	-	337.3	366.9	372.9
O4	282.0	353.7	362.0	375.5
R3	-	-	-	392.5

Deadweight Cattle Trade

Base quotes from the seven major meat plants this week for in spec U-3 grade steers and heifers were in the range of 438-450p/kg. Preliminary quotes of 440-454p/kg have been received from the plants for early next week. Reflecting on previous weeks the reported paid prices indicate higher prices are being paid than quotes would suggest. Producers should ensure that they price around to get the best possible deal for their stock. Quotes for first quality O+3 cows this week were in the region of 340-364p/kg with plants reporting a strong supply of cows, and next week base quotes of 344-370p/kg are expected. Again with the range in quotes and difference between these and prices paid producers are encouraged to price around.

Prime cattle slaughterings totalled 6,944 head in NI plants last week, remaining steady when compared to the 6,945 head slaughtered during the previous week. However this was a decrease of 296 head from the 7,240 prime cattle killed locally during the corresponding week in 2022. Cow throughput in NI remained strong with 2,220 cows slaughtered in NI last week.

Cattle imports from ROI for direct slaughter in NI plants last week were back from the previous week with 96 prime cattle and 84 cows imported. In the corresponding week last year 154 prime cattle and 66 cows were imported from ROI for direct slaughter. Meanwhile exports from NI to ROI for direct slaughter last week consisted of two prime cattle, 52 cows and one bull. This was a decrease from the one prime animal and 85 cows exported during the previous week. Last week no cattle were moved between GB and NI for direct slaughter.

The deadweight cattle trade in NI last week strengthened across all grades to record prices last week. The average steer price up by 3.4p/kg from the previous week to 453.1p/kg while the R3 steer price increased by 5p/kg to 464.3p/kg. This is the highest recorded average price paid for R3 steers in NI. The average heifer price in NI last week was up by 2.6p/kg to 452.4p/kg while the R3 heifer price was up by 2.5p/kg to 462.2p/kg which is also the highest recorded average price paid for R3 heifers in NI. The average cow price in NI last week was up 4.7p/kg to 341.2p/kg while the O3 cow price was up 5p/kg to 372p/kg.

Last week the deadweight cattle trade improved across the majority of grades in all regions, with the majority of pressure seen in the young bull trade notably in Northern England. The average steer price in GB last week was up 3.8p/kg from the previous week to 455.1p/kg with the R3 steer price increasing by 4.2p/kg to 462.2p/kg. Meanwhile last week the average heifer price in GB increased 3.6p/kg to 453.6p/kg while the R3 heifer price was up by 3.5p/kg to 462p/kg.

The R3 steer price in ROI last week was the equivalent of 456.9p/kg, up by 5.1p/kg from the previous week while the R3 heifer price was up 4.7p/kg to 462.3p/kg. The O3 cow price in ROI last week recorded an increase of 2.6p/kg to 389.9p/kg which puts it 17.9p/kg higher than the equivalent price in NI.

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

W/E 21/01/23		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	466.5	464.7	462.7	466.0	468.6	471.9	466.5
	R3	464.3	456.9	462.3	461.1	463.3	462.1	462.2
	R4	461.1	459.3	464.6	465.4	460.2	463.3	464.0
	O3	450.5	449.3	451.3	444.3	441.3	439.8	442.7
	AVG	453.1	-	460.9	455.8	451.4	451.0	455.1
Heifers	U3	468.4	473.0	469.7	468.1	474.6	469.8	470.9
	R3	462.2	462.3	463.8	459.5	464.1	460.9	462.0
	R4	459.5	463.9	465.2	463.9	462.1	460.3	463.7
	O3	451.0	457.4	448.0	442.9	438.8	433.5	439.1
	AVG	452.4	-	463.1	453.3	448.8	447.5	453.6
Young Bulls	U3	454.6	453.6	456.0	449.9	462.9	465.2	456.6
	R3	450.0	445.5	446.4	452.0	450.3	448.1	449.6
	O3	439.7	432.4	425.9	426.1	427.3	392.0	424.5
	AVG	436.7	-	440.4	435.9	436.9	427.9	436.5
Prime Cattle Price Reported		5,845	-	6,800	6,705	6,997	5,090	25,592
Cows	O3	372.0	389.9	382.4	381.9	381.0	377.9	380.9
	O4	374.4	388.5	392.5	382.9	381.7	379.2	383.0
	P2	335.0	363.2	339.6	340.4	341.3	336.1	339.6
	P3	351.5	376.4	359.8	364.7	358.1	358.8	359.3
	AVG	341.2	-	376.4	365.6	352.7	347.3	357.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.03p 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 21/01/23	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	275	304	288	220	274	245
Friesians	214	240	222	191	213	206
Heifers	250	305	260	180	249	215
Beef Cows	227	260	238	165	226	198
Dairy Cows	142	176	160	70	141	110
Store Cattle (p/kg)						
Bullocks up to 400kg	270	364	295	230	269	245
Bullocks 400kg - 500kg	250	324	275	205	249	225
Bullocks over 500kg	240	278	256	200	239	220
Heifers up to 450kg	242	315	275	190	241	215
Heifers over 450kg	250	392	280	180	249	215
Dropped Calves (£/head)						
Continental Bulls	350	480	410	225	345	285
Continental Heifers	325	440	375	200	320	260
Friesian Bulls	55	125	90	22	50	35
Holstein Bulls	40	56	48	5	20	15

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 23/01/23	Next Week 30/01/23
R3 Hoggets up to 22kg	500 - 510p	520 - 540p

REPORTED SHEEP PRICES

(P/KG)	W/E 07/01/23	W/E 14/01/23	W/E 21/01/23
NI L/W Hoggets	476.6	455.3	471.1
NI D/W Hoggets	530.8	510.1	496.9
GB D/W Hoggets	534.9	520.1	502.5
ROI D/W	575.9	553.9	528.3

Deadweight Sheep Trade

There was a strengthening in the base quotes received from the major processors mid-week for R3 grading hoggets with quotes ranging from 520-525p/kg up to 22kg. Quotes for early next week are expected to range from 520-540p/kg. Hogget throughput in local plants decreased by 1,803 head from the previous week to 7,758 head last week, however this in an increase when compared to the corresponding week last year when 6,984 hoggets were processed in local plants. Exports of hoggets to ROI for direct slaughter last week declined to 4,337 head from 5,915 the previous week. The deadweight hogget price in NI last week was back 13.2p/kg from the previous week to 496.9p/kg while the ROI hogget price decreased by the equivalent of 25.6p/kg to 528.3p/kg.

Liveweight Sheep Trade

A good trade was reported across the marts this week with larger numbers of hoggets passing through many of the sale rings compared to last week. In Swatragh last Saturday 630 hoggets sold from 470-508p/kg compared to 520 hoggets the previous week selling from 467-505p/kg. In Markethill on Monday 430 hoggets sold from 490-520p/kg compared to 200 hoggets last week selling from 450-478p/kg. An improved trade in Rathfriland on Tuesday reported 335 hoggets sold to an average of 480p/kg compared to 417 hoggets last week selling to an average of 467p/kg. The ewe trade remained steady this week with top prices generally ranging from £147-240 with a top reported price of £252 in Swatragh.

LATEST SHEEP MARTS (P/KG LW)

From: 21/01/23		Hoggets			
To: 26/01/23		No	From	To	Avg
Saturday	Swatragh	630	470	508	-
	Omagh	206	465	494	-
Monday	Kilrea	450	483	514	-
	Markethill	430	490	520	-
Tuesday	Saintfield	830	480	530	-
	Rathfriland	335	470	500	480
Wednesday	Ballymena	1506	475	548	490
	Enniskillen	330	450	508	-
	Armoy	659	460	530	-

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