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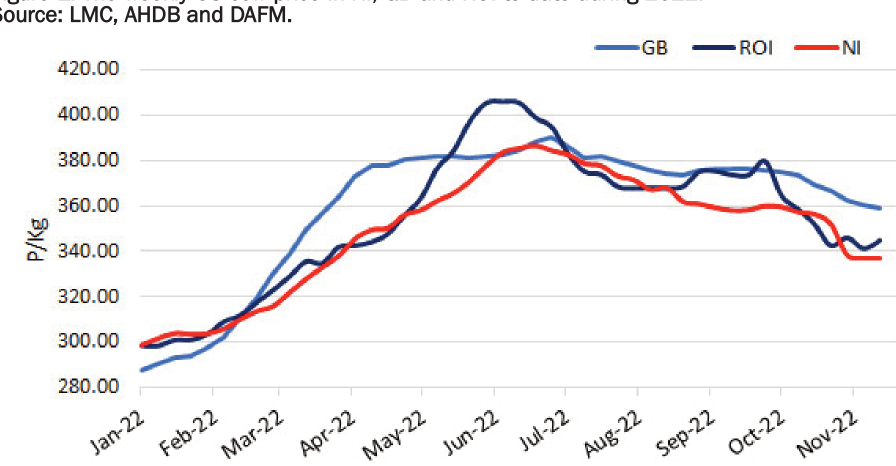
THE DEADWEIGHT TRADE FOR COWS CONTINUES TO SOFTEN AS THROUGPUT INCREASES

The deadweight cow trade has come under pressure across all regions in recent weeks with strong numbers of cows coming forward for slaughter. This increase in throughput has come at a time when the major processors are reporting a weaker demand for beef from major retail customers. This is supported by the latest data from Kantar Worldpanel for the 12 weeks ending 30 October 2022 indicating total volume sales of beef in the UK declined by 6.5 per cent to 129,900 tonnes year on year.

Base quotes in NI for good quality O+3 grading cows this week ranged from 298-335p/kg with the majority of local plants quoting in the region of 304-335p/kg. Next week similar base quotes for good quality O+3 grading cows are expected. Despite quotes remaining relatively steady over recent weeks there has been downward movement in the prices paid, with the average O3 cow price in NI last week declining to 337.1p/kg which takes it to its lowest level since March this year as shown in **Figure 1.** This was the seventh consecutive week in which the O3 cow price in NI recorded a decline with it decreasing by 23.2p/kg over this period. This equates to a decline of £69.60 on a 300kg cow carcase.

Figure 1: The weekly O3 cow price in NI, GB and ROI to date during 2022.
Source: LMC, AHDB and DAFM.



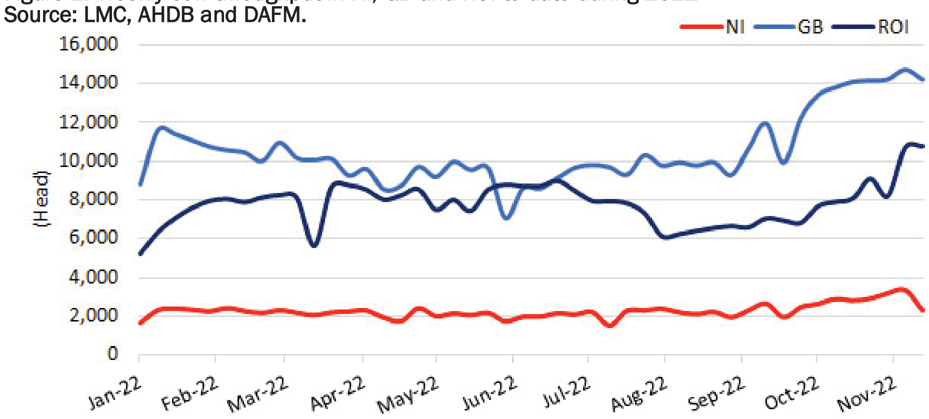
Cow throughput in NI last week totalled 2,927 head taking throughput for the last eight week period to 23,009 head. This was a 15 per cent increase from the corresponding eight week period last year when 20,010 cows were processed locally.

Cow imports for direct slaughter in local plants last week totalled 177 head, bringing the total for the eight week period ending 19 November to 1,007 head. These imports accounted for just 4.4 per cent of the total cow kill. Cow imports for direct slaughter have increased by 89 head from the levels imported during the previous eight week period despite the deadweight trade for cows coming under pressure in NI and remaining behind the trade for O3 cows in GB and ROI.

Great Britain

While the cow kill in NI has been ahead of last years levels during much of the year to date, cow throughput in GB during the first eight months of 2022 was behind 2021 levels. However during the last eight week period significant increases in cow throughput have been recorded in GB meat plants as shown in **Figure 2.** Increases of 29,608 head or 36.5 per cent from the previous eight week period ending 24 September.

Figure 2: Weekly cow throughput in NI, GB and ROI to date during 2022
Source: LMC, AHDB and DAFM.



During 2022 record cow prices have been recorded, however in recent weeks, as the cow throughput increased the deadweight cow trade has come under pressure. In GB the average O3 cow price last week was 358.8p/kg which puts the average O3 cow price in GB 21.7p/kg ahead of the equivalent price in NI as indicated in **Figure 1.** Similar to the trend in NI, this was the eighth consecutive week in which GB has recorded a decline with the O3 cow price back by 17.5p/kg over this period. This equates to a decline of £52.50 on a 300kg carcase.

There is significant variation in cow prices in GB across the regions with prices tending to improve as you move northwards. In Scotland last week the average O3 cow price was 363.2p/kg, the highest in GB and 26.1p/kg higher than the NI price. However, this price has also recorded a decline of 20p/kg over the last eight week period.

Republic of Ireland

Cow throughput in ROI has also been very strong in recent weeks with 69,312 cows killed during the eight week period ending 19 November 2022. This was a 17.5 per cent increase from the previous eight week period when 58,983 cows were slaughtered in ROI plants.

In ROI the O3 cow price was the equivalent of 345p/kg last week, up 3.6p/kg from the previous week. This places it 7.9p/kg ahead of the equivalent price in NI which puts the value of a 300kg carcase in ROI at £23.70 above NI last week. Despite this increase in price last week, the deadweight trade for cows in ROI has come under pressure over recent weeks as outlined in **Figure 1.** During the eight week period ending 19 November the average O3 cow price in ROI declined 34.9p/kg or the equivalent of £104.70 on the value of a 300kg cow carcase.

While prices for cows have come under pressure in all regions of the British Isles in recent weeks average cow prices in NI are still running over 12 per cent ahead of last year demonstrating the value of this raw material to processors and the importance of presenting cows in appropriate condition for slaughter.

UK BEEF IMPORT LEVELS BEHIND 2021 LEVELS

Imports of fresh and frozen beef to the UK during September 2022 totalled 18,572 tonnes according to the latest available data from HMRC. This is a 35 per cent reduction from the 28,711 tonnes of beef imported during September 2021. This brings total beef imports during 2022 to the close of September to 171,524 tonnes, a decline of 749 tonnes from the corresponding period of 2021 when 172,272 tonnes were imported.

The largest proportion of beef imported into the UK during the 2022 period was from the EU market. A total of 163,829 tonnes of beef was imported from the EU between January and September 2022, back 1.4 per cent from year earlier levels. The notable 14,742 tonnes decline in beef imports from ROI during the nine month period of 2022 has resulted in the overall decline in total beef imports to the UK. However increases year on year were reported in the majority of EU countries as outlined in **Table 1** somewhat offsetting this decline however not completely.

Despite the decline year on year, Ireland remains the biggest source of beef imports to the UK with 120,212 tonnes arriving in the UK between January and September 2022. This accounts for 73.3 per cent of all beef imports from the EU during this period. Due to the nature of the UK and Irish beef processing industries much of this beef will have come to the UK from Irish slaughter plants for further processing and some of this will have been returned to Ireland before being exported to other EU markets for distribution.

During 2022 to date, Germany has been the second largest source of beef for the UK with 11,997 tonnes arriving in the UK between January and September 2022. Beef imports from Germany increased by 8,857 tonnes year on year or 282.1 per cent from 2021 levels. This beef accounted for just 7.3 per cent of total beef imports from the EU.

Table 1: Volume of UK beef imports from EU countries during January to 30 September 2022 (tonnes). Source: HMRC.

	2022	2021	Change (tonnes)	Change %
Ireland	120,212	134,954	-14,742	-10.9%
Germany	11,997	3,140	+8,857	+282.1%
Netherlands	11,290	10,072	+1,218	+12.1%
Poland	11,010	11,417	-407	-3.6%
France	2,882	843	+2,039	+241.8%
Spain	1,707	1,836	-129	-7.0%
Belgium	1,609	1,090	+519	+47.6%
Portugal	1,398	717	+681	+95.1%
Italy	1,148	1,621	-473	-29.2%
Other	575	505	+70	+13.8%
Total EU Countries	163,829	166,194	-2,365	-1.4%

During 2021 Poland was the second largest source of beef imports to the UK beef industry however, during January to September 2022 to date they are the fourth largest provider with beef imports from Poland year on year recording a decline of 407 tonnes, bringing the total imports to 11,010 tonnes during the 2022 period. This beef has accounted for 6.7 per cent of all imports from the EU.

Imports of fresh and frozen beef from non-EU countries totalled 7,695 tonnes during the period from January to September 2022 and accounted for just 4.5 per cent of total UK fresh and frozen beef imports. The volume of beef imported from non-EU countries was up 26.6 per cent from 2021 levels with the majority of beef originating from South America, Australia and New Zealand. However, as noted compared to the total volumes of beef imported to the UK the quantities from these countries are extremely small.

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 21/11/22	Next Week 28/11/22
Prime		
U-3	414 - 428p	414 - 428p
R-3	408 - 422p	408 - 422p
O+3	402 - 416p	402 - 416p
P+3	346 - 360p	346 - 360p
	Including bonus where applicable	
Cows		
O+3	298 - 335p	298 - 335p

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 19/11/22	Steers	Heifers	Young Bulls
U3	441.3	444.7	434.5
R3	436.4	439.2	426.0
O+3	428.3	431.4	413.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 19/11/22	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	227.4	244.2	254.2	265.3
P2	249.4	273.9	292.7	310.1
P3	259.2	298.5	308.8	320.0
O3	-	310.0	329.8	338.3
O4	-	308.3	337.4	338.1
R3	-	-	-	362.3

Deadweight Cattle Trade

Base quotes from the major NI meat plants for in spec U-3 grade prime cattle remained steady at 414-428p/kg this week with the majority of plants quoting 422-428p/kg for steers and heifers. Quotes for good quality O+3 grade cows are ranging from 298-335p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week totalled 8,255 head. This was 148 less cattle from the previous week however was an increase of 835 head from the 7,420 prime cattle processed during the same week last year. Cow throughput last week remained high with 2,927 head processed in NI plants.

Cattle imports from ROI for direct slaughter in local plants last week consisted of 481 prime cattle, 177 cows and one bull. This was a decrease from the previous week when 508 prime cattle and 191 cows were imported but ahead of the same week last year when 337 prime cattle and 159 cull cattle were imported. Exports from NI to ROI for direct slaughter last week consisted of two prime cattle and 53 cows. There was no live cattle moved between NI and GB for direct slaughter last week.

The average steer price in NI last week recorded a marginal decline bringing it to 427.9p/kg while the R3 steer price was up marginally to 439p/kg. In the same week last year the R3 steer price in NI was 402.7p/kg which puts the increase in the value of a 350kg carcase at £127 year on year. The average heifer price was up 0.8p/kg last week to 430.3p/kg while the R3 heifer price increased by 0.4p/kg to 440.5p/kg. In the corresponding week last year the R3 heifer price in NI was 405.2p/kg which is 35.3p/kg behind current levels. On a 330kg carcase this is the equivalent of £116.50. Young bull prices came under some pressure in NI last week with the average price back by a slight 0.2p/kg to 413p/kg and the R3 young bull price back 1.1p/kg to 425p/kg. The deadweight cow trade in NI also came under pressure with the average cow price back by 0.7p/kg to 302.9p/kg while the O3 cow price was relatively unchanged at 337.1p/kg last week.

The deadweight cattle trade in GB last week came under pressure across the majority of grades. Compared to the previous week the average steer price was back by 1.3p/kg last week to 443.5p/kg, with a decline of 2.3p/kg recorded in Northern England, -2.2p/kg in Scotland, 1.5p/kg in Southern England while the Midlands and Wales was back by a marginal 0.1p/kg. The average heifer price was back 1.2p/kg in GB last week to 440.5p/kg with decreases reported in Scotland of 4.8p/kg, 1.9p/kg in Southern England and 0.8p/kg in Northern England. Meanwhile in the Midlands and Wales the average heifer price increased by a penny to 434p/kg.

The deadweight cattle trade in ROI improved last week from the previous week. The R3 steer price was up by the equivalent of 5.5p/kg to 403.4p/kg with the R3 heifer price up 4p/kg to 407.4p/kg. The O3 cow price increased by the equivalent of 3.6p/kg to 345p/kg in ROI last week.

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

W/E 19/11/22		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	441.3	411.6	462.4	454.9	453.7	456.1	457.5
	R3	439.0	403.4	460.3	451.1	449.2	446.7	452.0
	R4	436.9	402.3	460.8	454.0	445.4	444.6	455.1
	O3	427.9	391.2	446.0	432.9	431.0	427.4	432.6
	AVG	427.9	-	457.1	444.3	437.3	432.7	443.5
Heifers	U3	445.2	419.8	460.4	454.7	461.0	457.3	458.9
	R3	440.5	407.4	456.3	451.5	449.3	447.0	450.7
	R4	438.2	407.9	457.2	451.8	448.7	446.5	452.9
	O3	429.6	399.0	445.0	434.5	421.6	421.7	426.8
	AVG	430.3	-	454.0	444.7	434.0	427.4	440.5
Young Bulls	U3	433.5	403.5	453.7	448.8	445.0	440.0	448.8
	R3	425.0	393.9	445.9	438.5	442.0	445.8	442.3
	O3	408.7	378.3	421.6	416.5	416.1	408.6	416.3
	AVG	413.0	-	439.2	431.0	431.4	421.9	431.9
Prime Cattle Price Reported		6,722	-	6,255	6,284	7,165	4,630	24,334
Cows	O3	337.1	345.0	363.2	360.8	356.7	356.5	358.8
	O4	337.8	345.3	368.3	361.4	356.7	348.5	358.6
	P2	295.3	303.1	317.8	318.3	311.4	320.0	315.6
	P3	315.8	328.7	336.9	338.5	335.7	331.2	334.7
	AVG	302.9	-	358.9	334.5	318.3	317.7	326.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.40p 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 19/11/22	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	250	275	262	200	249	220
Friesians	204	216	209	158	193	175
Heifers	233	268	251	190	232	210
Beef Cows	206	261	227	150	205	175
Dairy Cows	141	190	160	75	140	108
Store Cattle (p/kg)						
Bullocks up to 400kg	240	288	265	195	239	220
Bullocks 400kg - 500kg	230	282	250	175	229	200
Bullocks over 500kg	244	272	255	180	243	210
Heifers up to 450kg	230	272	250	170	229	200
Heifers over 450kg	225	262	240	180	224	195
Dropped Calves (£/head)						
Continental Bulls	350	460	400	235	335	285
Continental Heifers	340	690	420	200	335	270
Friesian Bulls	130	150	137	50	80	65
Holstein Bulls	85	150	125	1	50	25

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 21/11/22	Next Week 28/11/22
R3 Lambs up to 22kg	515p	530 - 545p

REPORTED SHEEP PRICES

(P/KG)	W/E 05/11/22	W/E 12/11/22	W/E 19/11/22
NI L/W Lambs	463.6	463.6	477.4
NI D/W Lambs	500.4	502.0	506.3
GB D/W Lambs	512.6	534.5	547.2
ROI D/W	530.9	540.2	547.3

Deadweight Sheep Trade

Base quotes from the major lamb processing plants improved midweek to range from 530-540p/kg up to 22kg. Quotes of 530-545p/kg are expected early next week. The plants have reported strong supplies of lambs to meet demand with reports also indicating that the lambs on offer are generally of very good quality with an average lamb carcase weight of 22kg recorded last week. There were 10,429 lambs processed in NI plants last week, similar to previous weeks, while a further 6,854 lambs were exported to ROI for direct slaughter. The average deadweight lamb price in NI last week was 506.3p/kg, up 4.3p/kg from the previous week. The deadweight lamb trade also improved in ROI with an average reported price last week of 547.3p/kg, up by 7.1p/kg from the previous week.

Liveweight Sheep Trade

Many of the marts have recorded steady numbers passing through the sale rings with a firm trade continuing to be reported. In Swatragh last Saturday 1,100 lambs sold from 474-514p/kg compared to 1,275 lambs the previous week selling from 471-513p/kg. On Monday in Massereene 648 lambs sold from 490-522p/kg compared to 478 lambs last week selling from 460-498p/kg. In Rathfriland on Tuesday 503 lambs sold from 468-541p/kg (avg 500p/kg) compared to 402 lambs last week selling from 440-522p/kg (avg 480p/kg). This week in Enniskillen 702 lambs sold from 480-548p/kg compared to 502 lambs last week selling from 440-512p/kg. The trade for cull ewes continued to remain strong this week with top prices ranging from £140-300 across the marts.

LATEST SHEEP MARTS (P/KG LW)

From: 19/11/22		Lambs			
To: 24/11/22		No	From	To	Avg
Saturday	Omagh	754	492	549	-
	Swatragh	1100	474	514	-
Monday	Kilrea	800	473	553	-
	Massereene	648	490	522	-
Tuesday	Saintfield	545	495	560	-
	Rathfriland	503	468	541	500
Wednesday	Ballymena	2125	470	531	488
	Enniskillen	702	480	548	-
	Armoy	612	460	535	-
	Markethill	1160	480	518	-

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