LMC
Livestock & Meat Commission

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION

Saturday 27 August 2022 Issue No. 2732

SHARP DECLINE IN BREEDING AND PRODUCTION IMPORTS FROM ROI

In recent weeks there has been a notable increase in the number of prime cattle being imported from ROI for direct slaughter in local plants due to tighter domestic supplies of prime cattle for slaughter.

However analysis of the latest available data from APHIS has indicated during the seven month period from January to the close of July 2022, the number of cattle being imported from ROI for further breeding and production on local farms has more than halved compared to the same period of 2021.

During July 2022 there was a total of 951 cattle imported from the ROI for further breeding and production in NI. This takes the total for the year to date to 15,884 head, a significant decrease from the 34,688 cattle imported during the corresponding seven month period in 2021.

Male Cattle

The largest majority of male cattle being imported from ROI will be intended for further production on local farms before being processed in local plants. During July 2022 there were 252 male cattle aged over 6 months old imported from ROI which takes the total for the first six months of the year 3,348 head. In July 2021 1,094 male cattle aged over 6 months old were imported from ROI which took the corresponding total for the first seven months of 2021 to 7,914 head.

Female Cattle

From the data available it is not possible to differentiate between female cattle being imported for breeding and those being imported for beef finishing. There has however been a strong decrease in imports of female cattle during 2022.

In July 2022 there were 657 female cattle aged over 6 months old imported from ROI for breeding and production, back from 1,514 head in July 2021. During the first seven months of 2022 8,481 female cattle aged over 6 months old were imported from ROI, back by 8,764 head or 50 per cent from the 17,245 head imported during the same period in 2021.

Calf Imports

There has also been a notable decline in the number of calves being imported from ROI during 2022. During July 2022 42 calves were imported from ROI taking the total for the year to date to 4,055 head. In the same period last year 9,529 calves were imported.

Deadweight Trade

Record high cattle prices in both Northern and Southern Ireland during the first six months of the year have also coincided with 10 year high cattle throughput levels in NI plants. Additionally, high deadweight prices coupled with increased production costs on farm will have influenced this decrease in cross border movement of cattle.

Nomad Cattle

Cattle that are imported from ROI and finished on local farms are classified as mixed origin or nomadic cattle. While they can achieve Northern Ireland Farm Quality Assurance status provided that they meet the 90 day residency requirement the beef from these animals does not qualify to carry the Red Tractor Logo. This can limit the number of markets that beef from these animals can be used to service.

While the current price differentials have made ROI origin cattle attractive to beef finishers in NI it is worth noting that these animals tend to have a lower value at point of slaughter due to their more restricted market outlets.

Figure 1: Monthly imports of cattle from ROI for further breeding and production during 2020, 2021 and to 31st July 2022. Source: DAERA.

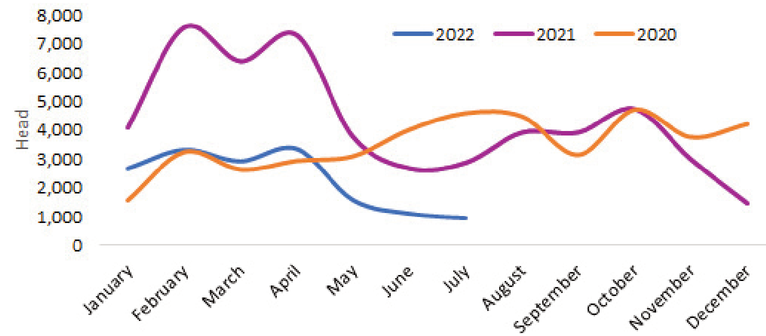

Table 1: Cattle imports from ROI for further breeding and production by category during January to 31st July 2022, 2021 and 2020. Source: DAERA.

	Male (over 6 months)	Female (over 6 months)	Calves (less than 6 months)	Total
2022	3,348	8,481	4,055	15,884
2021	7,914	17,245	9,529	34,688
2020	2,432	10,902	8,843	22,177
2022/21 Change (%)	-57%	-50%	-57%	-54%
2022/20 Change (%)	+37%	-22%	-54%	-28%

Some processing plants in NI prefer not to process mixed origin cattle and penalties may be applied by those plants that will process them. Any producer considering finishing nomad cattle should first contact the individual processors directly to ensure they have a market outlet for the cattle when they are finished.

HIGHER PRICES AVAILABLE THAN BASE QUOTES SUGGEST

Quotes this week from the major NI beef processing plants for in spec U-3 grading prime cattle range from 412-430p/kg.

Prime cattle slaughtered in the major NI processing plants are priced using a pricing grid with 225 potential grades available. The U-3 grade is used as the base quote which then allows the price of all other grades on the pricing grid to be worked out.

The prices quoted by the major processing plants should be used by producers as a starting point for negotiation, with higher prices available, especially for cattle which meet current market specifications. The deadweight prices paid for individual grades of prime cattle will be heavily influenced by relative supply and demand at the time.

Weekly deadweight price reporting data allows comparison between quoted prices and actual prices paid by the processing plants.

The data used for comparison purposes in this article includes R-3 grading steers which are in spec in terms of age, weight, grade, Farm Quality status and number of farm residences. Aberdeen Angus, Hereford and organic cattle are removed as any bonuses paid for these cattle are not included in base quotes from the major NI processors.

Last week in NI for example the quoted price range for in-spec R-3 grade prime cattle was 406-428p/kg. Meanwhile, the average paid price for R-3 grading steers in NI last week was 434.2p/kg.

Similarly, during the previous week commencing 8 August 2022 the quotes received by LMC for R-3 grade prime catte ranged from 404-418p/kg while the paid R3 steer price during the same week was 432.1p/kg. During the same week quotes for U-3 grade prime steers ranged from 410-424p/kg, when the aggregate paid price for U3 steers was 438.4p/kg, which is a difference of 14.4p/kg between the top quote provided and paid prices.

The bulletin generally confirms that paid prices track higher than the base quotes provided. With this in mind, producers should be encouraged to negotiate the price of their cattle with NI processors.

Although the average paid price is more often that not above the quoted price, price reporting data shows there are always a number of cattle paid within and below the quoted price range.

LMC encourages producers to negotiate negotiate the best price for their cattle using these base quotes only as a starting point for negotiation. LMC also encourages producers to shop around the processing plants to get the best possible deal with the prices paid by each plant varying.

Over the last few weeks LMC has fielded a number of calls from producers about the quotes for cattle and sheep which are issued by LMC.

The quotes for the Friday evening text message are obtained by LMC on a Friday morning by ringing round all of the main slaughter plants and they are given to LMC by factory procurement staff as an indication of trade for the beginning of the week ahead.

LMC also calls the factories on a Monday and Wednesday morning and any updates to quotes will be broadcast on BBC Farming Matters on a Tuesday evening and will be published on the LMC website homepage.

As reported prices paid for cattle are not available for publication until 12 days after the quoted prices are issued in the Friday evening text it is only then that LMC can do an actual comparison between quotes and prices paid. Aggregated paid prices are published by LMC on a Wednesday as soon as the official price report has been compiled and uploaded.

As stated, it is clear from the bulletin publication that prices paid often exceed the price quoted and that is not an unexpected trend.

Quotes by their nature are estimates of the trade for the week ahead and the actual price received will depend on the producer negotiation with their factory buyer and the attributes of the stock being offered for sale.

LMC's message to producers is to use the base quotes as the starting point for negotiation, as higher prices are likely to be available especially when supplies of livestock for slaughter are tight, which LMC's forecast anticipates to be the case in the coming months.

Producers with cattle in specification for weight, grade, age, quality assurance, number of farm residences etc. can expect to be in a stronger position to negotiate a better price than producers with cattle not meeting all aspects of specification.

The one clear trend from the quoted prices is that they indicate the direction of travel of the market (which will always be over a week behind the actual trade at the time).

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 22/08/22	Next Week 29/08/22
Prime		
U-3	412 - 430p	412 - 430p
R-3	406 - 424p	406 - 424p
O+3	400 - 418p	400 - 418p
P+3	344 - 362p	344 - 362p
	Including bonus where applicable	
Cows		
O+3	330 - 360p	330 - 350p

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 20/08/22	Steers	Heifers	Young Bulls
U3	439.4	442.7	433.5
R3	434.2	435.7	427.4
O+3	427.4	429.4	418.7

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 20/08/22	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	257.1	269.4	279.7	301.5
P2	276.0	311.2	326.8	336.8
P3	331.1	325.7	338.8	349.8
O3	330.0	348.4	364.2	369.5
O4	-	354.8	367.9	370.3
R3	-	-	-	385.8

Deadweight Cattle Trade

Base quotes from the major NI meat plants for in spec U-3 grading steers and heifers were back at the upper end this week ranging from 412-430p/kg, with similar quotes expected for early next week. Quotes for good quality O+3 grading cows ranged from 330-360p/kg across the plants this week with quotes of 330-350p/kg expected early next week.

The plants have reported good supplies of prime cattle available for slaughter with 7,021 head processed in local plants last week. This was up from the previous week when local prime cattle throughput totalled 6,469 head. Cow throughput has remained firm with 2,097 cows processed in NI last week back slighty from the 2,186 cows processed the previous week. This brings the total prime cattle throughput in NI during the year to date to 312,387 head, an increase of 31,508 head when compared to the same period in 2021 when a total of 280,879 cattle were slaughtered in NI plants.

Imports of cattle from ROI for direct slaughter last week consisted of 383 prime cattle and 70 cows which was 15 head more prime cattle and 33 cows fewer from the previous week. There were no cattle imported from GB last week for direct slaughter in local plants. Meanwhile cattle exports from NI to ROI for direct slaughter continue to operate at very low levels with just three prime cattle and 34 cows exported last week. No cattle made the journey to GB for direct slaughter.

The deadweight prime cattle trade recovered across the majority of grades in NI last week with the average steer price up by 2.9p/kg to 426.1p/kg and the R3 steer price up by 3p/kg to 438.2p/kg. The average heifer price in NI last week was 424.9p/kg, back 2.5p/kg from the previous week while the R3 heifer price increased by 0.8p/kg to 436.1p/kg. The average young bull price last week increased by 2.7p/kg to 417.1p/kg with the R3 young bull price up by 1.4p/kg to 427.1p/kg. Meanwhile the cow trade came under some pressure last week with the average cow price back by 0.9p/kg to 339.8p/kg while the O3 cow price was 368.3p/kg up by 0.8p/kg from the previous week.

Meanwhile in GB last week the deadweight prime cattle trade improved across the majority of grades from the previous week. The average steer price in GB last week was up 0.6p/kg to 434.5/kg with the R3 steer price back marginally to 441.3p/kg. The average heifer price in GB last week increased by 1.3p/kg to 434.3p/kg with the R3 heifer price back by the same margin as R3 steers (0.2p/kg) to 440.3p/kg. All regions but the Midlands and Wales reported decines in prices paid for R3 heifers with the Midlands and Wales recording an increase of 0.8p/kg to 439.7p/kg. The overall average cow price decreased in GB last week by 1.4p/kg to 346.7p/kg while the O3 cow price was back by a penny to 374.6p/kg.

In ROI last week the deadweight cattle trade came under pressure in euro terms. The R3 steer price was the equivalent of 407.6p/kg back by 0.6p/kg from the previous week. The R3 heifer price in ROI last week decreased by just under 0.9p/kg to 410.8p/kg.

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

W/E 20/08/22		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	440.4	415.6	447.2	444.0	446.6	446.0	446.1
	R3	438.2	407.6	445.0	442.2	440.1	437.9	441.3
	R4	433.0	406.3	448.0	447.8	437.5	439.8	445.4
	O3	426.9	394.2	432.9	425.3	421.7	417.2	423.2
	AVG	426.1	-	443.4	436.5	430.1	425.8	434.5
Heifers	U3	443.1	421.9	451.8	450.2	451.1	446.7	450.5
	R3	436.1	410.8	445.9	440.2	439.7	434.8	440.3
	R4	433.0	411.4	448.6	443.6	439.7	439.4	444.7
	O3	424.2	401.8	429.3	434.0	418.5	410.6	421.9
	AVG	424.9	-	445.6	437.5	428.9	420.4	434.3
Young Bulls	U3	433.9	405.7	437.4	443.5	441.7	445.4	440.0
	R3	427.1	396.6	434.6	433.7	432.1	435.1	433.5
	O3	409.8	376.8	411.6	402.2	402.9	406.9	404.4
	AVG	417.1	-	431.2	424.4	423.6	416.4	425.4
Prime Cattle Price Reported		4,964	-	6,506	6,387	6,988	4,215	24,096
Cows	O3	368.3	368.0	377.2	376.5	374.6	369.5	374.6
	O4	369.7	368.1	379.5	375.2	376.2	364.8	374.4
	P2	326.3	336.3	333.9	332.1	337.9	333.2	335.2
	P3	346.8	356.3	348.8	343.5	353.1	345.0	348.6
	AVG	339.8	-	374.8	352.5	343.0	333.2	346.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.43p 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 20/08/22	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	260	285	270	210	259	230
Friesians	186	220	195	117	185	160
Heifers	235	274	250	200	234	215
Beef Cows	220	270	231	170	219	190
Dairy Cows	150	190	167	105	149	128
Store Cattle (p/kg)						
Bullocks up to 400kg	250	300	273	200	249	225
Bullocks 400kg - 500kg	240	279	260	190	239	215
Bullocks over 500kg	220	243	230	170	219	200
Heifers up to 450kg	240	281	255	195	230	212
Heifers over 450kg	232	279	244	160	230	200
Dropped Calves (£/head)						
Continental Bulls	350	530	410	225	315	272
Continental Heifers	345	475	377	200	295	230
Friesian Bulls	100	210	150	50	95	75
Holstein Bulls	80	130	105	40	75	55

SHEEP TRADE

NI SHEEP BASE QUOTES		
(P/Kg DW)	This Week 22/08/22	Next Week 29/08/22
R3 Lambs up to 21kg	500-510p	495-500p

REPORTED SHEEP PRICES			
(P/KG)	W/E 06/08/22	W/E 13/08/22	W/E 20/08/22
NI L/W Lambs	444.6	462.8	470.9
NI D/W Lambs	488.4	499.6	504.8
GB D/W Lambs	525.6	545.4	542.8
ROI D/W	530.9	538.9	541.1

Deadweight Sheep Trade

Quotes this week from the local plants for R3 grading lambs came under some pressure and ended this week at 500p/kg up to 21kg. The availability of lambs for slaughter has continued to remain strong in line with normal seasonal trends with 10,037 lambs processed locally last week. This was similar to the previous week and 1,090 lambs behind the levels processed in the same week in 2021. Lamb exports to ROI for direct slaughter last week totalled 6,226 head, an increase of 1,328 head when compared to the 4,898 head exported the previous week. The average deadweight lamb price in NI last week was 504.8p/kg, up 5.2p/kg from the previous week. The deadweight sheep price in ROI last week was the equivalent of 541.1p/kg, up 1.3p/kg from the previous week.

Liveweight Sheep Trade

Strong numbers of lambs passed through the marts this week with trade generally similar to last week. In Kilrea on Monday 1000 fat lambs sold from 440-474p/kg compared to 500 lambs last week selling from 458-500p/kg. On Tuesday in Rathfriland 1100 lambs sold from 440-481p/kg (avg 475p/kg) compared to 926 lambs last week selling from 479-583p/kg (avg 497p/kg). In Enniskillen this week 974 lambs sold from 440-478p/kg compared to 810 lambs last week selling from 465-518p/kg. In Markethill this week 1,340 lambs sold from 420-447p/kg compared to 1,410 lambs last week selling from 450-505p/kg. Good numbers of cull ewes passed through the marts this week with a top reported price of £180 in Swatragh last Saturday.

LATEST SHEEP MARTS (P/KG LW)					
From: 20/08/22		Lambs			
To: 25/08/22		No	From	To	Avg
Saturday	Swatragh	1685	455	530	-
	Omagh	956	453	489	-
Monday	Kilrea	1000	440	474	-
	Massereene	815	445	476	-
Tuesday	Saintfield	970	445	500	-
	Rathfriland	1100	440	481	475
Wednesday	Ballymena	2311	430	465	445
	Enniskillen	974	440	478	-
	Armoy	651	435	470	-
	Markethill	1340	420	447	-

Contact us

T: 028 9263 3000
E: bulletin@lmcni.com
W: www.lmcni.com