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PRIME CATTLE CARCASE WEIGHTS EDGE UPWARDS IN NORTHERN IRELAND

The average carcase weight of prime cattle killed in Northern Ireland is tracking ahead of previous years with increases recorded in all categories of prime cattle.

During the 12 weeks ending 21 November 2020 the average steer carcase weight in Northern Ireland was 364kg, up 2.5kg from the corresponding period in 2019. The average carcase weight of young bulls recorded a similar increase to 348.4kg during the 2020 period. Meanwhile average heifer carcase weights in Northern Ireland have recorded the strongest increase, up 5.1kg to 328.7kg during the 2020 period.

Favourable production conditions and good grass growth this summer have helped cattle perform well at grass and will have contributed to this increase in average carcase weights. Strong store prices will also have encouraged producers to increase carcase weights where possible to maximise the value of the finished animal.

However while heavier carcases have the potential to increase the gross value of the finished animal it is important that producers consider the additional costs associated with producing heavier carcases. These include the cost of extra days on farm, additional feed costs and the potential of deductions at point of slaughter for overweight animals.

Major beef processors in Northern Ireland have a preference for prime cattle that produce carcases between 280-380kg. Beef from these animals can be used to service the widest range of retail and foodservice customers and therefore have the potential to provide the greatest return to the market.

While there are market outlets for beef from heavier carcases the options are much more limited. As a result the major processors are quoting penalties of 10-24p/kg for carcases in excess of 420kg with penalties of up to 40p/kg for carcases over 450kg in some plants. There are also limited market outlets for beef from carcases less than 280kg with penalties in place in the majority of plants for carcases less than 260kg.

Producers are encouraged to consult with procurement staff of the individual plants prior to presenting cattle for slaughter with carcase weights outside the desired 280-380kg weight range.

Suckler origin animals

Prime cattle sourced from the suckler herd tend to produce heavier carcases and a larger proportion of these animals produce carcases in excess of the desired 380kg upper limit. **Figure 1** displays the average carcase weight of price reported suckler origin steers broken down by weight range during the 12 weeks ending 21 November 2020 and the corresponding periods in 2019 and 2018.

As indicated in the chart the proportion of suckler origin steer carcases between 280-380kg has declined from 52 per cent during the 2018 period to 46 per cent in the 2020 period. Carcases between 380-400kg accounted for 18 per cent of suckler origin steers in the 2020 period, up marginally from 2018 levels.

The proportion of suckler origin steer carcases between 400-450kg has increased from 24 per cent of price reported suckler origin steers in the 2018 period to 28 per cent in the 2020 period. A further five per cent of suckler steers produced carcases over 450kg in the 2020 period.

Despite heifers recording the strongest increase in average carcase weights during 2020 there has been little change to the proportion of carcases within weight brackets between the 2018-2020 time periods as outlined in **Figure 2.**

During the 2020 period 76 per cent of suckler origin heifers produced carcases within the desired 280-380kg weight range. There was a slight increase in the proportion of suckler origin heifer carcases over 380kg to 14 per cent during the 2020 period. Meanwhile the proportion of suckler heifer carcases weighing less than 280kg declined from 12 per cent in the 2018 period to nine per cent in the corresponding 2020 period.

Figure 1: Price reported carcase weights for suckler origin steers during 12 w/e 21 November 2020 and corresponding periods in 2018 and 2019

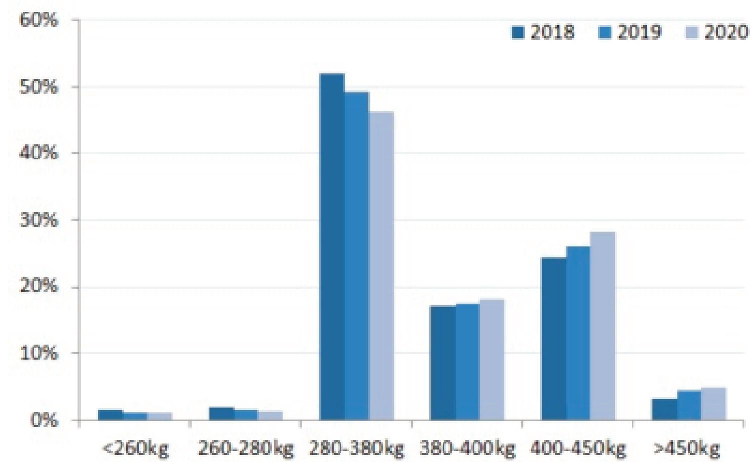
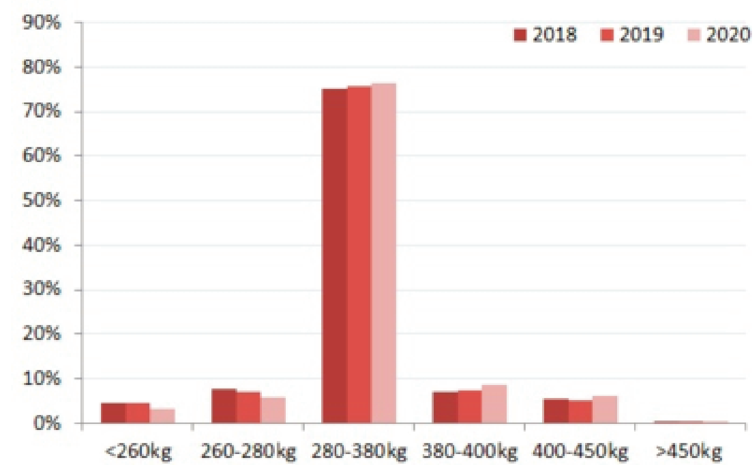


Figure 2: Price reported carcase weights for suckler origin heifers during 12 w/e 21 November 2020 and corresponding periods in 2018 and 2019



EUROPEAN COMMISSION SHORT TERM OUTLOOK FOR BEEF

EU beef production decreased in the first half of 2020 by 2.4 per cent from the same period in 2019 according to the latest available data from the European Commission.

A stagnation in cattle throughput during April and May this year was recorded in several EU states including France, the Netherlands and Denmark while notable declines in cattle slaughterings were recorded in Ireland, Austria, Spain and Italy due to the impacts of Covid-19 on the operation of processing plants. Weaker demand for beef from the foodservice sector is also likely to have had a negative impact on the levels of cattle throughput during the first few months of Covid-19 restrictions.

Demand for beef has improved with the phased reopening of the foodservice sector across the EU and growth in retail beef sales in many regions. This has had a positive impact on deadweight cattle prices over the last few months. Deadweight cattle prices, which bottomed out in mid-May this year, are now back to levels seen a year ago in many EU countries.

Table 1: Market developments in the EU beef sector 2020/2021.
Source: European Commission

BEEF	2020	2021
Production	-1.4%	-1.5%
Exports	+1.0%	-4.0%
Imports	-10%	+0.0%
Consumption	-2.1%	-1.2%

Beef production in the EU for 2020 as a whole is now forecast to be 1.4 per cent lower than 2019 levels, provided that there is stable beef production in the second half of the year. The impact of a particularly dry spring in some EU countries has also contributed to lower beef production in the trading bloc with cattle being killed earlier and at lower carcase weights than would have been expected due to reduced feed availability.

The EU livestock survey completed in May/June 2020 recorded a smaller cattle herd in some EU countries, France, Denmark and Ireland in particular, and this is expected to translate into a further 1.5 per cent decline in EU beef production during 2021.

EU beef exports declined in the first half of 2020 however some recovery in the level of beef export is expected in the second half of the year. Overall beef exports are expected to end the year one per cent ahead of 2019 levels.

Tighter beef supplies are expected in some key beef producing regions next year which will reduce the availability of beef for export. As a consequence of this forecasts indicate a four per cent decline in EU beef exports during 2021.

EU beef imports declined sharply in the first half of 2020 (-22 per cent year-on-year), due to the drop in demand from the EU foodservice sector and tighter supplies in some source countries. More favourable import conditions for beef during the second half of 2020 are expected to reduce the drop in annual EU imports to 10 per cent. Stable imports of beef are forecast for 2021.

EU beef consumption is projected to decline by 2.1 per cent to 10.4kg per capita during 2020. A further 1.2 per cent decline in per capita consumption is forecast for 2021 as a result of tighter beef supplies.

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 23/11/20	Next Week 30/11/20
Prime		
U-3	356 - 366p	356 - 368p
R-3	350 - 360p	350 - 362p
O+3	344 - 354p	344 - 356p
P+3	290 - 304p	290 - 306p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 260p	240 - 255p
Steakers	140 - 170p	140 - 170p
Blues	120 - 130p	120 - 130p

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 21/11/20	Steers	Heifers	Young Bulls
U3	376.9	380.6	365.8
R3	371.2	376.4	363.8
O+3	365.0	367.1	345.8

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 21/11/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	158.3	176.9	189.1	208.0
P2	180.5	208.0	235.3	243.2
P3	188.5	221.6	249.5	254.1
O3	-	236.0	260.4	267.5
O4	-	-	254.8	271.5
R3	-	-	-	293.3

Deadweight Cattle Trade

Base quotes from the major processors remained steady this week ranging from 356-366p/kg for in-spec U-3 grade prime cattle. The majority of plants are quoting 360-366p/kg for both steers and heifers. The cow trade also remained steady this week with quotes for O+3 grading cows at 240-260p/kg across the plants. Similar quotes expected for all types of cattle early next week.

Prime cattle throughput in NI last week decreased by 334 head from the previous week to total 6,933 head. In the same week last year 7,019 prime cattle were processed locally. Cow throughput in NI last week decreased by 466 head to total 1,693 head. This is also back 518 cows when compared to the corresponding week in 2019 when 2,211 cows were processed in local plants.

Imports of cattle from ROI for direct slaughter last week consisted of 310 prime cattle and 173 cows with a further 31 cows imported for direct slaughter from GB. Exports of cattle out of NI for direct slaughter to ROI last week consisted of 16 prime cattle and 66 cows with no cattle making the journey to GB for direct slaughter.

The NI deadweight trade for prime cattle reported a strengthening in prices last week when compared to the previous week. The average NI steer price last week was up 3.5p/kg to 366.1p/kg while the R3 steer price was up by 2.5p/kg to 374.3p/kg. In the same week in 2019 R3 steer price in NI was 333.1p/kg. Last week the average heifer price in NI reported an increase of almost 3p/kg to 369.9p/kg with the R3 heifer price up by 4.4p/kg to 377.7p/kg. In the corresponding week last year the R3 heifer price in NI was 336.6p/kg. Meanwhile the average young bull price in NI last week decreased by 2.5p/kg to 348.9p/kg while the R3 young bull price increased by just over 3p/kg to 364p/kg. The cow trade in NI also improved last week with the average cow price up slightly to 242.9p/kg and the O3 cow price increasing by almost 2p/kg to 266.9p/kg.

The GB deadweight trade for prime cattle also improved last week across the majority of grades. The average GB steer price was up 0.6p/kg to 374.6p/kg last week with the R3 steer price in GB up just over a penny to 381.9p/kg. The differential in R3 steer prices between NI and GB last week narrowed to 7.6p/kg or £27 on a 350kg carcase. The average heifer price in GB last week reported an increase of 1.4p/kg to 373.2p/kg, while the R3 heifer price was up 2.7p/kg to 382p/kg. The differential in R3 heifer prices between NI and GB last week narrowed to 4.3p/kg from the previous week. Meanwhile the cow trade in GB continued to come under pressure last week with the O3 cow price back by 4.8p/kg to 246.4p/kg, this puts it at 20.5p/kg below the same price in NI.

The R3 steer price in ROI last week increased by the equivalent of a penny to 325p/kg. This is 49.3p/kg behind the equivalent price in NI which puts the differential in the value of a 350kg carcase at £173. The R3 heifer price in ROI last week increased by 0.8p/kg to the equivalent of 330.4p/kg which was 47.3p/kg behind the same price in NI. This puts the differential on a 320kg heifer carcase between the two regions at £151.

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

W/E 21/11/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	377.6	333.6	391.0	381.7	384.4	389.6	386.3
	R3	374.3	325.0	390.9	378.3	381.0	378.9	381.9
	R4	370.8	325.0	392.1	386.4	378.0	377.8	385.5
	O3	364.0	309.4	374.9	364.8	357.2	355.8	360.3
	AVG	366.1	-	388.3	374.9	369.7	368.3	374.6
Heifers	U3	380.0	340.8	399.2	390.3	392.2	383.8	392.3
	R3	377.7	330.4	390.5	378.3	381.7	379.6	382.0
	R4	373.6	331.2	391.7	380.5	381.3	378.7	384.3
	O3	367.2	321.2	365.8	366.1	352.0	357.4	357.7
	AVG	369.9	-	389.1	373.4	366.5	366.1	373.2
Young Bulls	U3	365.8	319.0	378.7	370.2	380.5	369.0	376.4
	R3	364.0	311.7	373.9	375.5	376.1	366.4	374.7
	O3	346.7	298.4	337.0	340.2	342.6	350.6	341.6
	AVG	348.9	-	362.9	360.8	358.4	354.9	359.6
Prime Cattle Price Reported		5613	-	5304	7261	8985	4325	25875
Cows	O3	266.9	244.8	250.0	250.7	246.5	238.9	246.4
	O4	271.0	246.3	259.2	253.2	246.3	237.1	248.3
	P2	233.9	217.5	209.0	201.8	203.3	199.3	202.2
	P3	251.1	234.8	226.6	223.5	222.4	214.3	220.6
	AVG	242.9	-	242.1	231.3	215.0	207.9	219.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.51p 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 21/11/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	232	246	237	210	231	220
Friesians	160	183	173	140	158	150
Heifers	226	243	230	210	225	215
Beef Cows	163	217	179	135	162	150
Dairy Cows	115	132	121	100	114	107
Store Cattle (p/kg)						
Bullocks up to 400kg	230	277	250	210	229	222
Bullocks 400kg - 500kg	225	240	230	200	224	215
Bullocks over 500kg	210	234	215	180	209	195
Heifers up to 450kg	235	262	242	205	234	218
Heifers over 450kg	215	235	225	190	214	202
Dropped Calves (£/head)						
Continental Bulls	400	450	415	290	395	335
Continental Heifers	335	415	360	230	330	280
Friesian Bulls	160	245	190	100	155	125
Holstein Bulls	150	195	170	65	145	95

SHEEP TRADE

NI SHEEP BASE QUOTES		
(P/Kg DW)	This Week 23/11/20	Next Week 30/11/20
R3 Lambs up to 22kg	460 - 465p	460 - 470p

REPORTED SHEEP PRICES			
(P/KG)	W/E 07/11/20	W/E 14/11/20	W/E 21/11/20
NI L/W Lambs	409.5	423.2	436.9
NI D/W Lambs	428.6	441.3	456.4
GB D/W Lambs	447.9	462.9	462.2
ROI D/W	447.8	457.2	466.0

Deadweight Sheep Trade

Base quotes from the plants this week for R3 grading lambs remained firm and ended this week ranging from 460-470p/kg with plants paying up to 22kg. Similar quotes are expected for early next week. Lamb throughput last week increased slightly from the previous week to total 9,434 lambs. This was marginally above the 9,357 lambs processed locally in the same week last year. Lambs exported to ROI for direct slaughter last week increased by 1,156 head to 6,649 lambs. In the same week last year 9,677 lambs were exported to ROI for direct slaughter. The deadweight lamb price in NI last week was up just over 15p/kg to 456.4p/kg. In the same week in 2019 the NI deadweight lamb price was 378.2p/kg. Meanwhile in ROI the deadweight lamb price increased by 8.8p/kg last week to the equivalent of 466p/kg.

Liveweight Sheep Trade

Steady numbers continue to pass through the marts this week with trade remaining firm. In Swatragh last Saturday 810 lambs sold from 410-438p/kg compared to 640 lambs the previous Saturday selling from 420-458p/kg. In Massereene on Monday 1,026 lambs sold from 420-461p/kg compared to 762 lambs selling from 420-462p/kg last week. In Saintfield this week 606 lambs sold from 426-493p/kg compared to 303 lambs last Tuesday selling from 422-520p/kg. In Ballymena this week 2,606 lambs sold from 410-464p/kg (avg 426p/kg) compared to 3,102 lambs last week selling from 400-515p/kg (avg 428p/kg). Top reported prices for cull ewes ranged from £107-£163 across the marts this week.

LATEST SHEEP MARTS (P/KG LW)					
From: 21/11/20		Lambs			
To: 26/11/20		No	From	To	Avg
Saturday	Omagh	652	432	486	-
	Swatragh	810	410	438	-
Monday	Massereene	1026	420	461	-
	Kilrea	300	425	536	-
Tuesday	Saintfield	606	426	493	-
	Rathfriland	600	420	542	450
Wednesday	Ballymena	2606	410	464	426
	Enniskillen	711	398	458	-
	Armoy	488	430	458	-
	Markethill	1350	430	470	-

Strict Covid - 19 restrictions are in place across all of the livestock marts

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