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STRONG LAMB TRADE IN THE RUN UP TO CHRISTMAS

The deadweight lamb trade in Northern Ireland has remained strong in the run up to Christmas with base quotes for R3 grading lambs ending this week ranging from 465-475p/kg up to 22kg.

Firm demand for lambs from both local processors and for exports for direct slaughter combined with tighter supplies have contributed to the strong deadweight trade. Throughput in local plants last week totalled 10,375 head which brings throughput for the last six weeks to 57,411 head. This is seven per cent or 3,800 head higher than the same period in 2019.

This higher throughput locally year on year is due to a reduction in exports to Irish plants for direct slaughter rather than any increase in lamb availability.

During the last six weeks 40,761 lambs have been exported for direct slaughter, back 13,500 head or 25 per cent from the same period in 2019.

Overall lamb output from the NI sheep flock has totalled 98,172 head during the last six weeks, running nine per cent or almost 10,000 head behind the same period last year.

Strong levels of lamb output for slaughter locally and for export during summer 2020 in response to good production conditions and a firm deadweight trade has resulted in this reduced availability of lambs for slaughter as we move into the final weeks of the year. The carryover of hoggets into 2021 is also expected to be lower than last year.

Image 1: Higher ewe lamb retention and strong lamb throughput earlier in 2020 have resulted in tighter supplies of lambs in recent weeks

Given the very strong deadweight lamb trade in Northern Ireland during much of 2020 there have been some reports of an increased interest in sheep production. This has resulted in an increase in the number of ewe lambs being retained for breeding which has further impacted the availability of lambs for slaughter.

The average deadweight lamb price in Northern Ireland last week was 462.7p/kg, up 3.1p/kg from the previous week. The current deadweight trade is well ahead of previous years as indicated in **Figure 1.** In the corresponding week last year the average lamb price was 393.3p/kg. This increase of 69p/kg is the equivalent of a £15.30 increase in the value of a 22kg lamb carcase.

Great Britain

The latest available slaughter figures for Great Britain have also indicated a notable contraction in lamb throughput. During November 2020 there were just over 1.1 million lambs processed in Great Britain, back by 81,000 head or seven per cent from November 2019 levels. This follows on from a decline in throughput of 70,000 head or six per cent during October 2020.

Despite the decline in lamb throughput in the region during October and November this year lamb throughput since June is still running two per cent ahead of the same period last year.

The average deadweight lamb price in Great Britain last week was 482p/kg, up 2.9p/kg from the previous week. In the same week last year the average lamb price in Great Britain was 431.7p/kg. This increase by 50.3p/kg accounts for an £11 increase in the value of a 22kg lamb carcase.

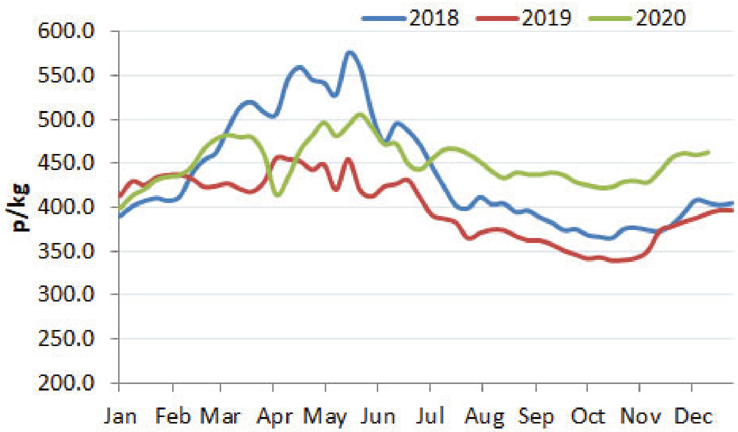
Ireland

Reports have also indicated a much tighter supply of lambs for slaughter in Ireland in the run up to Christmas. Lamb throughput during the last six weeks has totalled 280,210 head a 13 per cent decline from the same period last year. The lower level of lamb imports from NI for direct slaughter in Irish plants has further added to competition for lamb by Irish plants.

The average lamb price in Ireland last week was the equivalent of 485.3p/kg, up 11.6p/kg from the previous week. In the same week last year the average lamb price in Ireland was 397.9p/kg, 87p/kg below current levels which is the equivalent of an additional £19 on the value of a 22kg carcase.

Globally 2020 has been characterised by tighter supplies from key exporting countries and good demand from China which helped offset weakness in the EU and Middle Eastern markets.

Figure 1: Average deadweight lamb prices in Northern Ireland 2018-2020. Source: DAERA



ROI COW PRICES INCREASE

There has been a firm demand for cows in Northern Ireland in recent weeks with 2,412 cows processed last week. This brings throughput for the last six weeks to 13,849 head, very similar to the corresponding period last year.

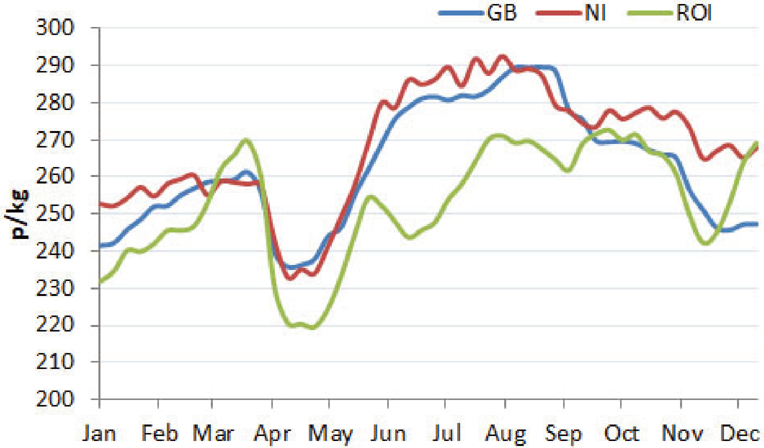
Deadweight cow prices came under some pressure in Northern Ireland during November 2020 but have since stabilised and improved slightly last week. The O3 cow price was 267.8p/kg during the w/e 12 December 2020, up 2.6p/kg from the previous week.

The deadweight cow trade in Northern Ireland has remained much stronger than Great Britain where the O3 cow price last week held steady at 247.3p/kg. The differential between the two regions was 20.5p/kg for an O3 grading cow which is the equivalent of £62 on a 300kg carcase.

The most notable change in the cow trade however has been the disappearance of the price differential between Northern Ireland and the Republic of Ireland as outlined in **Figure 2** below.

Strong demand for processing beef by Irish plants and some shifts in the sterling exchange rates have seen the Irish O3 cow price increase by the equivalent of 26.8p/kg since mid-November which moves it marginally ahead of the equivalent NI price. This shift in the trade has seen a sharp decline in the number of cows imported from ROI for direct slaughter locally.

Figure 2: O3 cow prices in Great Britain, Northern Ireland and the Republic of Ireland during 2020 to date (p/kg) Source: AHDB, LMC and DAFM



LMC would like to wish all of our levy-payers and stakeholders a very happy Christmas and a prosperous New Year

Holiday Arrangements
LMC's offices will be closed for the Christmas and New Year period (25 December - 01 January)
We will reopen on Monday 04 January 2021

Answerphone & Text Service
There will be no answerphone or text message service during Christmas and New Year period

LMC Bulletin
There will be no LMC Bulletin published on Saturday 26 December 2020 or Saturday 02 January 2021

FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:
Tel: 028 9263 3024

Answerphone Service

Factory Quotes & Mart Results
Updated 5pm Daily
Tel: 028 9263 3011

Text Service

Free weekly price quotes sent to your mobile phone
Email - bulletin@lmcni.com
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 14/12/20	Next Week 21/12/20
Prime		
U-3	356 - 368p	356 - 368p
R-3	350 - 362p	350 - 362p
O+3	344 - 356p	344 - 356p
P+3	290 - 306p	290 - 306p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 265p	240 - 265p
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 12/12/20	Steers	Heifers	Young Bulls
U3	376.2	381.7	367.7
R3	372.4	375.3	364.5
O+3	365.2	364.2	345.8

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 12/12/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	156.9	173.2	181.6	190.4
P2	197.7	203.3	223.0	239.0
P3	197.5	223.1	237.9	250.9
O3	245.0	237.4	272.8	267.9
O4	-	-	266.2	269.3
R3	-	-	-	287.9

Deadweight Cattle Trade

Base quotes from the major processing plants this week ranged from 356-368p/kg for in-spec U-3 grading steers and heifers with the majority of plants quoting in the range of 360-366p/kg. Quotes for O+3 grading cows this week ranged from 240-265p/kg. Similar quotes for all types of cattle are expected next week. With such a range in quoted prices producers are encouraged to shop around for the best deal available.

Prime cattle throughput in NI last week totalled 6,629 head, back 263 head from the previous week. In the same week in 2019 prime cattle throughput in local plants totalled 6,789 head. Meanwhile cow throughput has remained firm with 2,412 cows processed in NI last week. In the same week in 2019 cow throughput in local plants totalled 2,246 head.

Imports for direct slaughter from ROI last week included 143 prime cattle and 88 cows which was well back when compared to previous weeks. A further 37 cows were imported from GB for slaughter in local plants last week. Exports of cattle from NI to ROI for slaughter last week included five prime cattle and 114 cows. Meanwhile for the tenth consecutive week no cattle made the journey from NI to GB for direct slaughter.

The average steer price in NI last week increased by a penny from the previous week to 367.9p/kg. The R3 steer price meanwhile decreased by 1.7p/kg to 375.1p/kg. The average heifer price in NI last week was back by just over half a penny to 368.6p/kg while the R3 heifer price increased marginally to 376.4p/kg. The average young bull price in NI last week was 349.4p/kg, back by 2.8p/kg from the previous week. There was a mixed performance across the grades last week with the biggest increase reported in U3 grading young bulls of 3.7p/kg to 368.9p/kg. There was an increase in the average cow price in NI last week, up by 2.8p/kg to 242.6p/kg with the O3 cow price up by a similar margin to 267.8p/kg.

The deadweight trade for prime cattle in GB came under pressure last week compared to the previous week. The average steer price was back by 4.6p/kg to 367.8p/kg while the average R3 steer price decreased by a similar margin to 374.6p/kg. The R3 steer price reported decreases across all of the GB regions last week with the strongest decline reported in Scotland of 8.5p/kg to 378.8p/kg. The average heifer price in GB last week was back by 3.3p/kg to 367.8p/kg with the R3 heifer price back by almost 5p/kg to 372.9p/kg. The R3 heifer price also reported decreases in all regions last week again most notably in Scotland with the R3 heifer price back 9p/kg to 379.6p/kg. Meanwhile last week the O3 cow price in GB held steady from the previous week at 247.3p/kg, this is 20.5p/kg below the NI price.

The deadweight trade continued to improve in ROI last week with reported prices up for all types of cattle from the previous week. The R3 steer price increased by the equivalent of 5.4p/kg to 342.9p/kg while the R3 heifer price was up by 5p/kg to 348.1p/kg. The O3 cow price in ROI increased by the equivalent of 5.5p/kg to 269.1p/kg last week, this is 1.3p/kg higher than the O3 cow price in NI.

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

W/E 12/12/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	377.6	351.6	380.3	380.5	377.8	377.9	379.3
	R3	375.1	342.9	378.8	377.7	372.3	370.8	374.6
	R4	372.6	344.3	379.6	383.8	373.0	368.4	379.0
	O3	365.5	328.2	364.2	358.5	351.0	348.4	353.8
	AVG	367.9	-	376.7	370.5	361.5	359.2	367.8
Heifers	U3	381.5	359.5	386.3	380.9	382.7	379.4	382.9
	R3	376.4	348.1	379.6	372.9	373.0	368.3	372.9
	R4	372.2	349.5	381.1	377.8	373.3	367.9	376.7
	O3	365.4	336.3	363.9	359.6	352.0	344.1	352.7
	AVG	368.6	-	379.3	369.5	362.0	357.6	367.8
Young Bulls	U3	368.9	335.9	373.3	360.6	368.9	369.0	370.0
	R3	364.1	326.8	369.2	352.5	364.5	358.0	363.4
	O3	343.8	315.2	335.1	331.8	338.5	344.8	335.3
	AVG	349.4	-	352.7	339.0	352.2	346.2	348.7
Prime Cattle Price Reported		5428	-	7591	7273	7680	4874	27418
Cows	O3	267.8	269.1	246.6	250.9	247.3	241.4	247.3
	O4	269.2	269.6	251.8	254.3	246.3	242.6	249.1
	P2	228.2	237.8	208.2	205.3	200.6	202.8	202.4
	P3	247.7	256.5	214.7	224.3	218.9	219.1	219.5
	AVG	242.6	-	238.2	235.1	215.3	212.0	221.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=91.15p 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 12/12/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	228	243	233	210	227	218
Friesians	168	193	178	124	167	155
Heifers	217	231	222	200	216	208
Beef Cows	165	208	174	130	164	148
Dairy Cows	116	135	123	100	115	108
Store Cattle (p/kg)						
Bullocks up to 400kg	225	269	245	200	224	212
Bullocks 400kg - 500kg	225	258	240	200	224	210
Bullocks over 500kg	210	231	218	180	209	195
Heifers up to 450kg	225	253	240	200	224	212
Heifers over 450kg	210	230	220	190	209	200
Dropped Calves (£/head)						
Continental Bulls	430	590	480	325	425	375
Continental Heifers	390	500	435	275	385	325
Friesian Bulls	175	250	195	100	170	135
Holstein Bulls	120	170	145	10	115	65

SHEEP TRADE

NI SHEEP BASE QUOTES		
(P/Kg DW)	This Week 14/12/20	Next Week 21/12/20
R3 Lambs up to 22kg	465 - 475p	465 - 475p

REPORTED SHEEP PRICES			
(P/KG)	W/E 28/11/20	W/E 05/12/20	W/E 12/12/20
NI L/W Lambs	429.5	434.8	438.7
NI D/W Lambs	461.8	459.6	462.7
GB D/W Lambs	473.9	479.1	482.0
ROI D/W	468.3	473.7	485.3

Deadweight Sheep Trade

Quotes for R3 grading lambs this week ranged from 465-475p/kg up to 22kg across the major NI processing plants with similar quotes expected for Monday. The plants have reported good supplies to meet demand for lamb last week with NI throughput increasing by 874 lambs from the previous week to 10,375 head. This is also up 1,513 head when compared to the 8,862 lambs processed in the same week in 2019. Lamb exports from NI to ROI for direct slaughter last week increased by 129 lambs to 7,682 head. In the same week in last year 8,753 lambs were exported to ROI for direct slaughter. The average NI deadweight price was 462.7p/kg last week, up just over 3p/kg from the previous week while the ROI deadweight price increased by the equivalent of 11.6p/kg to 485.3p/kg.

Liveweight Sheep Trade

The trade in the marts this week continued to hold firm with the numbers of lambs passing through the sale rings holding steady. In Omagh last Saturday 624 lambs sold from 429-483p/kg compared to 579 lambs the previous week selling from 422-476p/kg. On Monday in Kilrea 560 lambs sold from 438-463p/kg compared to 580 lambs last week selling from 432-469p/kg. In Rathfriland this week 502 lambs sold from 425-480p/kg (avg 450p/kg) compared to 491 lambs last week selling from 415-492p/kg (avg 447p/kg). In Armoy on Wednesday 486 lambs sold from 425-475p/kg compared to last week when 563 lambs sold from 430-480p/kg. The cull ewe trade remains strong with top reported prices ranging from £111-£179 across the marts.

LATEST SHEEP MARTS (P/KG LW)					
From: 12/12/20		Lambs			
To: 17/12/20		No	From	To	Avg
Saturday	Omagh	624	429	483	-
	Swatragh	1,000	445	468	-
Monday	Massereene	902	440	479	-
	Kilrea	560	438	463	-
Tuesday	Saintfield	440	430	500	-
	Rathfriland	502	425	480	450
Wednesday	Ballymena	2649	420	482	442
	Armoy	486	425	475	-
	Markethill	1170	435	477	-

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

Information supplied by LMC / DAERA/ AHDB/ DAFM
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