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INCREASE IN CATTLE IMPORTS FROM ROI FOR BREEDING AND PRODUCTION

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 there has also been a rise in the number of cattle being imported from ROI for further breeding and production on local farms.

During June 2020 there was a total of 3,836 cattle imported from the ROI for further breeding and production in NI. This takes the total for the year to date to 17,297 head, a significant increase from the 11,932 cattle imported during the corresponding six month period in 2019.

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 June 2020 there were 928 male cattle aged over 42 days imported from ROI which takes the total for the year to date to 2,891 head. In June 2019 just 393 male cattle aged over 42 days were imported from ROI taking the total for the first six months of 2019 to 1,515 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 increase in imports of female cattle during 2020 to date.

In June 2020 there were 2,234 female cattle aged over 42 days imported from ROI for breeding and production, up from 790 head in June 2019. During 2020 to date 9,479 female cattle aged over 42 days have been imported from ROI, up from 7,190 head in the same period in 2019.

Figure 1: Imports from ROI for breeding and production 2019/20

Male Cattle

	2019 YTD	2020 YTD	% Change
<42 days	780	1883	+141%
Weanlings	643	1098	+71%
Over 7 months	872	1793	+106%

Female Cattle

	2019 YTD	2020 YTD	% Change
<42 days	2447	3044	+24%
Weanlings	760	1464	+93%
Over 7 months	6430	8015	+25%

Calf imports

There has also been a notable increase in the number of calves being imported from ROI during 2020 to date. During June 2020 674 calves were imported from ROI taking the total for the year to date to 4,927 head. In the same period last year 3,227 calves were imported.

Deadweight Trade

Tighter supplies of cattle locally and relatively strong store cattle prices combined with a significant widening in the price differential for both prime cattle and cows between NI and ROI has contributed to this increase in cross border movement of cattle.

The O3 cow price in NI last week was 289.6p/kg. This was 35.6p/kg higher than the equivalent price in ROI which is the equivalent of almost £107 on a 330kg carcase. In the corresponding week last year deadweight cow prices were actually higher in ROI than they were in NI with the differential the equivalent of £22 on a 300kg carcase.

A similar widening in the price differential can be observed for prime cattle. The R3 steer price in NI last week was 368p/kg, 38p/kg ahead of the equivalent price in ROI. On a 350kg carcase this equates to a differential in value of £133. In the same week last year the R3 steer price in NI was only marginally ahead of the equivalent price in ROI (+2.9p/kg).

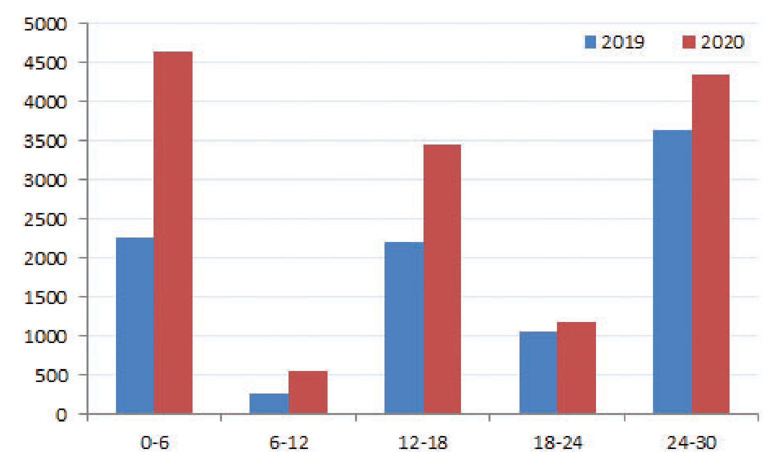
Nomad Cattle

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 on a Northern Ireland Beef and Lamb Farm Quality Assured Farm 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.

At the end of June 2020 there were 14,149 nomad cattle on NI farms aged less than 30 months compared to 9,412 head at the end of June 2019. While the current price differential has made ROI origin cattle more 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.

Many of the larger 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.

Figure 2: Nomad cattle on NI farms at the end of June 2020 broken down by age category.



LAMB TRADE REMAINS WELL AHEAD OF 2019 LEVELS

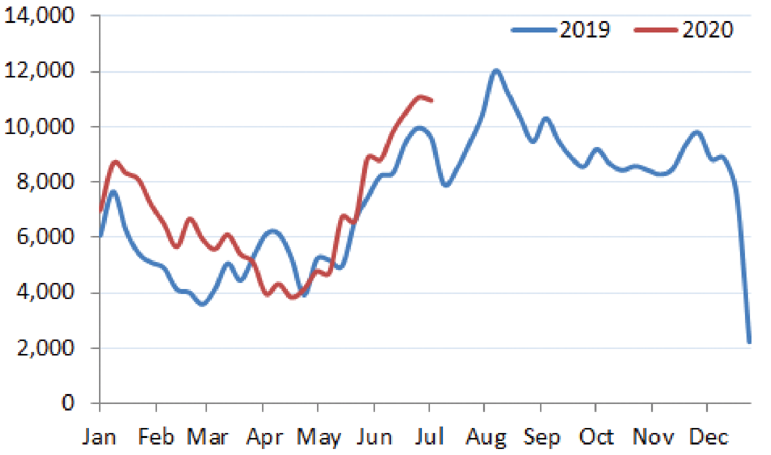
Base quotes from the major NI lamb processors for R3 grading lambs were in the region of 460-475p/kg up to 21kg early this week. Some reports have indicated a slightly easier trade as we move into next week however base quotes are unchanged at 460-475p/kg uo to 21kg.

Despite reports of a quietening in the trade base quotes remain well ahead of the corresponding week in 2019 when base quotes for R3 grading lambs were in the region of 385-390p/kg up to 21kg.

Lamb throughput in local plants has continued to be very strong with 10,952 lambs processed last week. This takes throughput for the last six weeks to 60,029 head, a 13.2 per cent increase on the same period last year when 53,006 lambs were processed in local plants.

The processors have reported more lighter, but good quality, lambs in the slaughter mix and there has been a reduction in the average carcase weight as a result. Last week the average carcase weight in NI was 20.8kg compared to 21.5kg in the corresponding week last year. The decision by producers to present lambs for slaughter at lighter carcase weights this year is most likely due to the improved deadweight prices in comparison to previous years.

Figure 3: Weekly lamb/hogget throughput in Northern Ireland processing plants during 2019 and 2020



The average deadweight price in NI last week was 455.2p/kg compared to 391.2p/kg in the same week last year. This differential of 64p/kg year on year is the equivalent of an additional £13.44 on a 21kg carcase.

ROI continues to act as an important outlet for locally produced lambs with 5.916 lambs exported to processing plants in the region for direct slaughter last week. This was an increase of 684 head from the previous week.

Lamb exports during the last six weeks have totalled 31,560 head and have accounted for 34 per cent of total lamb output from the NI sheep flock. In the same six week period in 2019 26,468 lambs were exported from NI to ROI for direct slaughter and these accounted for 33 per cemt of total lamb output from the NI flock.

Figure 4: Higher deadweight prices increase returns for producers.

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 06/07/20	Next Week 13/07/20
Prime		
U-3	354 - 364p	354 - 364p
R-3	348 - 358p	348 - 358p
O+3	342 - 354p	342 - 354p
P+3	292 - 306p	292 - 306p
	Including bonus where applicable	
Cows		
O+3 & better	260 - 280p	260 - 280p
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 04/07/20	Steers	Heifers	Young Bulls
U3	368.6	373.0	366.4
R3	364.5	367.2	359.9
O+3	356.0	358.5	348.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 04/07/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	180.2	200.5	211.0	226.7
P2	204.5	230.2	246.4	266.5
P3	201.1	243.4	267.6	275.9
O3	-	266.9	281.6	290.4
O4	-	284.0	288.0	291.8
R3	-	-	-	306.9

Deadweight Cattle Trade

Base quotes for U-3 grading prime cattle have held steady this week ranging from 354-364p/kg with the majority of plants quoting at the upper end of this scale. With such a range in base quotes producers are encouraged to shop around to get the best possible deal for their cattle. The cow trade has held steady with base quotes of 260-280p/kg for good quality O+3 grading cows.

Some of the major processors have reported a slight improvement in cattle availability in the last few weeks with 6,406 prime cattle processed locally last week. This was back 321 head from the previous week however was just ahead of the 6,214 prime cattle processed in NI during the same week last year. Cow throughput has remained strong in NI with 2,324 cows processed last week. This was similar to previous weeks however well ahead of the 1,841 cows processed during the same week last year.

There were 425 prime cattle imported from ROI for processing in local plants last week, the lowest level of import recorded since the last week of May this year. Imports of prime cattle have totalled 3,217 head during the last six weeks compared to 594 head in the same period in 2019. A widening price differential between NI and ROI combined with tighter domestic cattle supplies have contributed to this increase in prime cattle imports for direct slaughter. There has also been a strong increase in cow imports for direct slaughter in local plants with 1,550 cows imported during the last six weeks due to stronger cow prices in NI. Cow imports for direct slaughter were up from just 119 head during the corresponding period last year when cow prices in ROI were tracking ahead of NI prices.

The deadweight cattle trade has continued to improve in NI with the R3 steer price increasing by 3.6p/kg to 368p/kg. This is the tenth consecutive week in which the R3 steer price has increased and is the highest reported price in NI since June 2018. The R3 heifer price in NI has followed a similar trend and increased by 3.1p/kg last week to 367.5p/kg. The deadweight cow trade in NI has also continued to improve with the O3 cow price increasing last week by 3.3p/kg to 289.6p/kg. This placed it 35.6p/kg ahead of the equivalent price in ROI and 8.9p/kg above the average GB price for O3 cows.

The deadweight cattle trade has come under some pressure in GB with many reported prices back from the previous week as indicated by the shading in the deadweight cattle prices table. The average R3 steer price in GB last week was up by 1.1p/kg to 368.1p/kg however this was driven by a strong increase in reported prices in Northern England while all other regions recorded a decline. The R3 heifer price in GB last week was back 1.7p/kg to 367.6p/kg with declines in reported prices recorded in Scotland, Northern England and the Midlands.

The deadweight cattle trade in ROI has shown some signs of recovery in recent weeks with the majority of reported prices increasing in euro terms and this has been helped further by a weaker sterling. The R3 steer price in ROI last week was the equivalent of 331.4p/kg, 32.6p/kg behind NI. The R3 heifer price in ROI increased by a similar margin to 333.6p/kg.

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

W/E 04/07/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	370.3	340.8	382.2	366.1	364.5	369.6	372.2
	R3	368.0	330.0	382.1	371.3	359.8	362.4	368.1
	R4	364.0	331.4	383.4	374.8	360.6	360.4	374.9
	O3	356.1	314.9	374.1	349.8	339.3	340.3	346.8
	AVG	358.0	-	379.2	362.0	348.5	352.8	361.4
Heifers	U3	373.4	344.6	388.7	375.2	372.8	374.5	377.8
	R3	367.5	333.6	384.1	367.8	364.3	362.8	367.6
	R4	363.9	333.6	384.2	368.8	365.5	362.2	372.7
	O3	357.7	319.8	364.1	348.1	340.3	339.3	344.2
	AVG	358.6	-	380.8	361.2	352.8	351.7	361.9
Young Bulls	U3	365.1	333.5	378.0	359.6	365.9	364.1	371.2
	R3	359.6	321.4	373.0	358.6	358.8	358.3	364.4
	O3	339.8	300.8	337.4	328.3	323.3	315.5	326.0
	AVG	350.8	-	371.0	352.7	348.8	349.3	357.6
Prime Cattle Price Reported		5,034	-	7,289	7,574	7,044	5,246	27,153
Cows	O3	289.6	254.0	285.6	280.1	279.7	281.1	280.7
	O4	291.7	254.3	287.5	279.1	280.0	278.4	280.4
	P2	253.5	229.8	241.2	238.8	232.4	249.1	238.9
	P3	273.1	245.9	256.4	257.4	251.6	262.9	255.7
	AVG	273.8	-	281.7	268.8	253.0	251.4	259.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=90.71p 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 04/07/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	230	242	236	199	229	214
Friesians	165	180	172	90	157	123
Heifers	220	236	228	185	217	201
Beef Cows	180	221	200	130	179	154
Dairy Cows	130	141	135	80	129	104
Store Cattle (p/kg)						
Bullocks up to 400kg	200	235	217	175	195	185
Bullocks 400kg - 500kg	225	234	230	196	220	208
Bullocks over 500kg	222	233	227	180	221	200
Heifers up to 450kg	250	277	263	200	240	220
Heifers over 450kg	210	226	218	172	200	186
Dropped Calves (£/head)						
Continental Bulls	485	600	540	350	480	415
Continental Heifers	400	555	470	250	390	320
Friesian Bulls	190	250	220	80	185	132
Holstein Bulls	100	150	125	55	95	75

SHEEP TRADE

NI SHEEP BASE QUOTES		
(P/Kg DW)	This Week 06/07/20	Next Week 13/07/20
Lambs up to 21kg	460-475p	460-475p

REPORTED SHEEP PRICES			
(P/KG)	W/E 20/06/20	W/E 27/06/20	W/E 04/07/20
NI L/W Lambs	418.3	423.8	447.6
NI D/W Lambs	449.7	443.2	455.2
GB D/W Lambs	468.6	471.1	488.3
ROI D/W	465.2	460.8	469.2

Deadweight Sheep Trade

Base quotes for R3 grading lambs held steady at 460-475p/kg up to 21kg this week and despite reports of a slight easing in the trade base quotes from the major processors for early next week are unchanged. Lamb throughput in NI has continued to trend above 2019 levels with 10,952 lambs processed in local plants last week compared to 9,595 lambs processed in the same week last year. A further 5,916 lambs were exported to ROI for direct slaughter last week, accounting for just over a third of total output from the NI sheep flock. The average deadweight lamb price in NI last week was 455.2p/kg, up 12p/kg from the previous week. Deadweight prices have also increased strongly in GB and ROI in recent weeks.

Liveweight Sheep Trade

The marts have reported good numbers of lambs passing through the sale rings with strong demand for good quality lambs. Several marts reported a lot of lighter lambs being presented for sale in response to the strong liveweight and deadweight trade in recent weeks. In Massereene on Monday a large entry of 1,128 lambs sold from 440-470p/kg compared to 753 lambs last week selling from 435-467p/kg. In Saintfield this week a similar trade to the previous week saw 604 lambs selling from 425-465p/kg. In Ballymena this week a large entry of 2,401 lambs sold from 425-508p/kg (avg 444p/kg) compared to 1,680 lambs last week selling from 430-481p/kg (avg 455p/kg). In Markethill this week a firm trade saw 1,150 lambs sell from 420-456p/kg.

LATEST SHEEP MARTS (P/KG LW)					
From: 04/07/20		Lambs			
To: 09/07/20		No	From	To	Avg
Saturday	Omagh	1121	451	481	-
	Swatragh	1000	430	472	-
Monday	Massereene	1128	440	470	-
	Kilrea	500	434	463	-
Tuesday	Saintfield	604	425	465	-
	Rathfriland	1200	412	460	431
Wednesday	Ballymena	2401	425	508	444
	Enniskillen	685	420	457	--
	Armoy	875	428	470	-
	Markethill	1150	420	456	-

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

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