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DEADWEIGHT PRICES CONTINUE TO FIRM IN NORTHERN IRELAND

Base quotes from the major beef processors in Northern Ireland this week for U-3 grading steers and heifers firmed to 358-366p/kg with the majority of plants quoting towards the upper end of this scale. Several processing plants have indicated that prime cattle supplies for slaughter remain tight.

Reported prices for cattle have also continued to increase for the majority of price reported grades in Northern Ireland. The R3 steer price last week was 371.7p/kg, up 2.1p/kg from the previous week. This is the twelfth consecutive week in which the R3 steer price has improved and brings R3 steer prices to their highest recorded level since June 2018.

Great Britain

While deadweight prices for prime cattle in Northern Ireland have continued to trend upwards the trade in Great Britain has shown some signs of stagnating as indicated in **Figure 1.** The average R3 steer price in Great Britain last week was 367.8p/kg, back 0.7p/kg from the previous week and 3.9p/kg behind the same price in Northern Ireland.

There has however been some variability in the deadweight beef trade across the regions. The R3 steer price in Northern England and Scotland last week were both back in the region of 1p/kg to 379.8p/kg and 367.1p/kg respectively. Meanwhile the R3 steer price in the Midlands was back by 1.7p/kg to 363.2p/kg while in Southern England the R3 steer price increased by 1.3p/kg to 364.7p/kg.

Some reports have indicated an improvement in supplies of cattle for slaughter in recent weeks as a contributing factor to these declines in reported prices in Great Britain with supplies of cattle in some regions now running ahead of demand for beef.

The latest slaughter report available from Great Britain recorded prime cattle throughput in the region during June 2020 at 147,406 head, a 12.1 per cent increase from the corresponding month in 2019. Throughput in England and Wales during June 2020 increased strongly from June 2019 levels while throughput in Scotland during June 2020 was very similar to year earlier levels.

It should however be noted that there were two more working days in June 2020 when compared to June 2019 which will have contributed to some of the uplift in prime cattle throughput recorded this year.

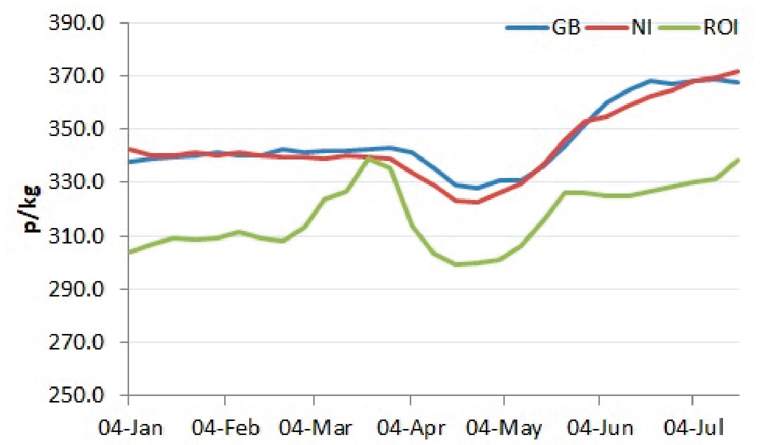
Ireland

The deadweight prime cattle trade has continued to improve in Ireland, however from a much lower base as outlined in **Figure 1.** The R3 steer price in the region last week was the equivalent of 338.7p/kg, up 7.5p/kg from the previous week.

Reports have indicated much tighter supplies of prime cattle in Ireland. This has increased competition for the cattle coming onto the market and has contributed to the strong uplift in reported prices in the region last week. A total of 25,940 prime cattle passed through Irish processing plants last week. This was up marginally from the previous week and fairly similar to prime cattle throughput in the same week last year.

The R3 steer price in Ireland last week was 33p/kg below the equivalent price in Northern Ireland and on a 350kg steer carcase this equates to a differential of £116. In the same week last year the differential was 13.3p/kg or £47 on a 350kg carcase. While the differential remains significant it has narrowed slightly in recent weeks and is now at its lowest level since the first week of June this year.

Figure 1: R3 steer prices during 2020 to date in Great Britain, Northern Ireland and Ireland. Source: LMC, DAFM, AHDB



EU PRIVATE STORAGE AID SCHEMES SUSPENDED

The EU Commission has suspended the Private Storage Aid Schemes for both beef and sheep/goatmeat in recent days due to improving market conditions in many EU markets and a low uptake rate among operators.

Applications for private storage aid for fresh or chilled meat of bovine animals aged eight months totalled just over 2,200 tonnes since the scheme was opened in early May, mostly in Spain, Poland, France, Austria, the Netherlands and Italy. Much smaller amounts were also placed into storage in Latvia, Germany and Ireland.

In the week that the scheme opened the average R3 heifer price in the EU was 348.8c/kg and this had improved to 367.1c/kg by the w/e 12 July 2020. This increase of 18.3c/kg is the equivalent of an additional €60 on the value of a 330kg carcase.

Despite the upward movement in beef prices across the EU, farm lobby group

European Commission

COPA-COGECA have reiterated that this recovery has come from a very low level after a period of significant pressure in the EU beef market and the situation remains fragile.

The group have highlighted that beef consumption is still problematic for high-value cuts at retail level while there is no immediate recovery or return to normality for out of home consumption.

Demand for minced beef products however has remained firm at retail level and has also shown some further recovery with the phased opening of the EU foodservice sector.

COPA-COGECA have also highlighted that the reduction in demand from foodservice for veal continues to place enormous pressure on the market and have called for a Private Storage Aid Scheme for veal to be introduced. A similar call for support for the veal sector came from several MEP's early last week.

The Private Storage Aid Scheme for sheep/goatmeat also had a very low uptake with just Spain the only EU country to avail of it by placing 140 tonnes into storage. Despite the low uptake the scheme has been viewed as having a positive impact on the EU sheep/goatmeat market.

Tighter supplies of lamb on EU markets due to reduced imports from New Zealand combined with an improvement in demand as we move towards the Muslim festival Eid al-Adha from 30 July until 03 August 2020 have also contributed to the recent firming in deadweight lamb prices.

SIGNS OF RECOVERY IN FOODSERVICE TRADE

A report released by the NPD Group, a UK based market research and information company, has highlighted some early signs of recovery in demand from the foodservice sector. There is however still a very long road to go before the trade returns to pre-Covid 19 restriction levels.

In the w/e 12 July 2020 UK foodservice sales recovered to 50 per cent of pre-Covid levels, an improvement of 30 per cent since lockdown began in the UK late March this year.

Dinner has shown the strongest recovery in sales, with weekly spend now at almost two-thirds (64 per cent) of pre-lockdown levels. This improved performance for dinner is supported by the continued strength of food delivery, services. These grew during lockdown and are now 60 per cent higher in spend terms than pre-Covid levels.

There has also been an increase in sales through foodservice outlets at weekends as people take the opportunity to socialise again. In the three weeks since the end of June, weekend foodservice spend has almost doubled from 29 per cent of pre-lockdown levels to 57 per cent.

However the gap between eating out in a foodservice venue and buying prepared food to eat at home remains wide. Just before Covid restrictions were relaxed in England in early July 2020 consumer spend associated with eating at home was one third (34 per cent) above pre-lockdown levels. Spend for eating out in a venue is still low and as of the w/e 12 July 2020 was 77 per cent below pre-Covid levels.

Age making a difference

During March and April foodservice spend among consumers aged 16 to 34 decreased more slowly than for older age groups and is now also recovering faster. For those aged 16 to 24, spend is now at 45 per cent of pre-lockdown and for the 25 to 34 age group it is at 51 per cent. Among those aged 55 or over, spend is still less than 25 per cent of pre-Covid levels, although this is up from nine per cent in late March.

Image 1: There are some early signs of recovery in UK foodservice sales but they are still significantly behind pre-Covid levels

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 20/07/20	Next Week 27/07/20
Prime		
U-3	358 - 366p	358 - 366p
R-3	352 - 360p	352 - 360p
O+3	346 - 354p	346 - 354p
P+3	296 - 308p	296 - 308p
	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 18/07/20	Steers	Heifers	Young Bulls
U3	372.4	375.9	367.1
R3	367.4	369.9	365.2
O+3	360.0	362.5	352.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 18/07/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	185.4	192.6	205.0	223.1
P2	199.2	226.8	254.0	260.9
P3	214.1	249.3	265.8	274.1
O3	-	269.9	286.8	292.4
O4	-	295.2	286.9	293.5
R3	-	-	-	309.6

Deadweight Cattle Trade

Base quotes for in spec U-3 grade steers and heifers strengthened at the beginning of this week. Quotes from local plants ranged from 358-366p/kg with similar quotes expected for early next week. The cow trade has continued to remain steady this week with quotes for good quality O+3 cows ranging from 260-280p/kg.

Prime cattle throughput in NI plants last week totalled 4,960 head, a decrease of 737 head from the previous week and 341 head less than the 5,301 prime cattle processed in the same week in 2019. Meanwhile a total of 1,630 cows were processed in NI plants last week, a decrease of 530 cows from the previous week. This is 173 head above the 1,457 cows processed in NI plants in the same week in 2019.

Cattle imports from ROI for direct slaughter in local plants last week consisted of 282 prime cattle and 140 cows with a further one steer and 33 cows imported from GB. Meanwhile exports from NI for direct slaughter continue at very low levels with two steers and 10 cows exported to plants in ROI while no cattle exported to GB for direct slaughter.

The NI deadweight trade for prime cattle last week continued to report increases across the majority of grades. The average steer price was 363.7p/kg, up 4.1p/kg from the previous week while the R3 steer price was up by 2.1p/kg to 371.7p/kg. Meanwhile the average heifer price in NI last week was up by 2p/kg to 364.2p/kg with the R3 heifer price increasing by just under a penny to 371.6p/kg. The average young bull price in NI last week increased by 2.2p/kg to 354.8p/kg with the R3 young bull price up by 0.8p/kg to 363.6p/kg. The cow trade reported strong increases in NI last week with the average cow price up by 8.5p/kg to 273.7p/kg while O3 cow price was up by 7.3p/kg to 291.8p/kg.

In GB last week the majority of deadweight prime cattle prices came back from the previous week.The average steer price was back by 0.8p/kg to 360.6p/kg with the R3 steer price back by a similar margin to 367.8p/kg. This puts the GB R3 steer price 3.9p/kg behind the same price in NI. The average heifer price in GB last week decreased by just under a penny to 360.5p/kg while the R3 heifer price was back by 1.2p/kg to 365.8p/kg. This puts the GB R3 heifer price 5.8p/kg behind the equivalent price in NI. The GB average cow price increased by a penny to 260.9p/kg while the O3 cow price was slightly back last week to 281.6p/kg.

In ROI last week the deadweight trade for prime cattle reported increases with the majority of grades. This combined with a stronger euro against sterling last week has resulted in increases in the region of 6-8p/kg from the previous week. The R3 steer price in ROI last week was the equivalent of 338.7p/kg, up 7.5p/kg while the R3 heifer price increased by a similar margin to 341.1p/kg. Meanwhile the O3 cow price in ROI last week recorded an increase of 6p/kg to 264.1p/kg which places it 27.7p/kg less than the same price in NI. This puts the differential in value of a 300kg O3 grading cow carcase at £83 between ROI and NI.

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

W/E 18/07/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	373.5	346.6	379.2	366.2	364.7	368.4	370.2
	R3	371.7	338.7	379.8	367.1	363.2	364.7	367.8
	R4	373.7	339.5	380.9	370.8	361.4	368.3	373.0
	O3	359.5	324.6	363.5	347.8	339.6	341.6	344.6
	AVG	363.7	-	376.8	361.1	351.0	353.2	360.6
Heifers	U3	377.0	352.4	382.3	373.7	374.9	370.0	375.5
	R3	371.6	341.1	378.1	365.2	362.9	362.1	365.8
	R4	369.3	340.9	381.9	368.0	363.7	362.5	371.3
	O3	363.3	329.8	359.0	353.1	341.7	340.4	345.5
	AVG	364.2	-	378.0	361.4	352.2	350.3	360.5
Young Bulls	U3	367.0	339.0	371.4	358.6	363.5	365.9	366.7
	R3	363.6	327.7	368.6	355.4	356.4	355.2	361.1
	O3	348.7	305.6	332.7	328.2	327.6	340.7	330.2
	AVG	354.8	-	365.3	347.5	351.8	352.2	355.8
Prime Cattle Price Reported		3,847	-	7,055	7,350	8,174	4,928	27,507
Cows	O3	291.8	264.1	288.0	281.4	281.3	278.5	281.6
	O4	293.3	264.9	288.7	280.0	280.8	274.1	281.0
	P2	251.1	245.6	240.7	241.3	246.8	248.9	246.1
	P3	271.2	258.1	255.5	255.5	258.4	261.8	258.8
	AVG	273.7	-	281.8	265.1	258.1	248.4	260.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=90.64p 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 18/07/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	230	236	233	200	225	212
Friesians	164	177	170	95	163	129
Heifers	226	240	233	200	225	212
Beef Cows	177	206	191	125	178	151
Dairy Cows	130	139	134	100	129	114
Store Cattle (p/kg)						
Bullocks up to 400kg	296	308	302	200	295	247
Bullocks 400kg - 500kg	242	265	253	190	240	215
Bullocks over 500kg	209	212	210	180	208	194
Heifers up to 450kg	300	337	318	250	299	274
Heifers over 450kg	200	210	205	175	199	187
Dropped Calves (£/head)						
Continental Bulls	470	640	555	355	465	410
Continental Heifers	465	580	520	255	460	357
Friesian Bulls	225	325	275	100	220	160
Holstein Bulls	80	200	140	25	75	50

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 20/07/20	Next Week 27/07/20
Lambs up to 21kg	470p	450-460p

REPORTED SHEEP PRICES

(P/KG)	W/E 04/07/20	W/E 11/07/20	W/E 18/07/20
NI L/W Lambs	447.6	437.7	430.7
NI D/W Lambs	455.2	465.7	466.6
GB D/W Lambs	488.3	483.2	479.9
ROI D/W	469.3	474.6	481.4

Deadweight Sheep Trade

Quotes from the plants ended this week ranging from 460-475p/kg up to 21kg. Quotes are expected to come under some pressure early next week and range from 450-460p/kg up to 21kg. Lamb throughput in local plants last week totalled 7,077 head well behind the previous week and back 1,396 lambs when compared to the same week last year. Exports of lambs to ROI for direct slaughter last week totalled 6,532 head, well above the 4,934 lambs exported to ROI for direct slaughter in the same week last year. The deadweight lamb price in NI last week was up by just over a penny from the previous week to 466.6p/kg. In the same week in 2019 the NI deadweight lamb price was 382.6p/kg. In ROI last week the deadweight lamb price was the equivalent of 481.4p/kg, up 6.8p/kg from the previous week.

Liveweight Sheep Trade

Strong numbers have passed through the marts this week with trade generally back when compared to last week. In Omagh last Saturday 1,468 lambs sold from 424-471p/kg. In Kilrea on Monday 700 lambs sold from 410-459p/kg. In Rathfriland this week 850 lambs sold from 400-450p/kg (avg 425p/kg) compared to 438 lambs selling from 412-450p/kg (avg 429p/kg). In Enniskillen on Wednesday 598 lambs sold from 415-438p/kg while in Markethill 1,180 lambs sold from 420-446p/kg compared to 1,200 lambs last week selling from 420-454p/kg. Top reported prices for cull ewes remain firm this week ranging from £92-£140.

LATEST SHEEP MARTS (P/KG LW)

From: 18/07/20		Lambs			
To: 23/07/20		No	From	To	Avg
Saturday	Omagh	1468	424	471	-
	Swatragh	2000	435	489	-
Monday	Massereene	1208	425	456	-
	Kilrea	700	410	459	-
Tuesday	Saintfield	804	405	450	-
	Rathfriland	850	400	450	425
Wednesday	Ballymena	2108	400	473	418
	Enniskillen	598	415	438	-
	Armoy	1089	410	475	-
	Markethill	1180	420	446	--

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

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