LMC
Livestock & Meat Commission
WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION
Saturday 29 August 2020
Issue No. 2634

STRONG DECLINE IN UK LAMB IMPORTS

The latest available figures from HMRC have indicated a strong decline in the volume of lamb/mutton imported by the UK during the first half of 2020. This is unsurprising given the huge impact that Covid-19 has had on global trading in recent months combined with stronger markets and growing demand for sheepmeat in some key Asian countries taking product off the world market.

Imports from EU countries

Imports of lamb/mutton by the UK from other EU countries totalled 5,109 tonnes during the first half of 2020, a significant decline from 7,932 tonnes during the same period in 2019. Import volumes from the EU were lower every month during the first half of 2020 when compared to the same period in 2019 as outlined in **Figure 1** with significant declines recorded between March and June 2020.

Most of this decline in imports from the EU comes from a notable drop in the level of lamb/mutton imported from Ireland. During the first six months of 2020 the UK imported 3,239 tonnes of lamb/mutton from Ireland, back from 5,011 tonnes in the same period last year. This accounts for a 35 per cent reduction in volumes imported year on year.

Imports from non-EU countries

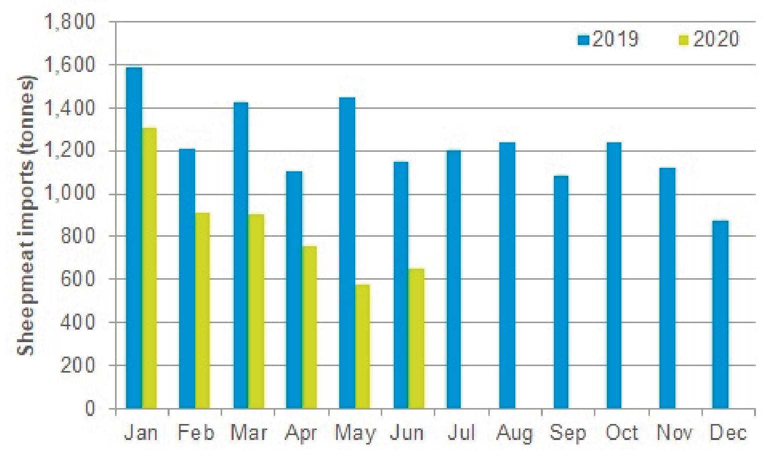
Imports from non-EU countries totalled 29,234 tonnes during the first half of 2020 and accounted for 85 per cent of total UK lamb/mutton imports during this period. This was back from 30,186 tonnes in the first half of 2019 and represents a 3.2 per cent decline in overall volumes imported year on year.

Within these figures it is worth highlighting that UK lamb/mutton imports from non-EU countries during the first quarter of 2020 were operating two per cent ahead of 2019 levels. However as we moved into the second quarter there was sharp decline in import levels with volumes running seven per cent behind the same period in 2019.

New Zealand continues to be the biggest source of imported lamb/mutton for the UK with 23,798 tonnes imported during the first half of 2020. This was back 1,860 tonnes or seven per cent from 2019 levels.

The volume of lamb/mutton imported from Australia actually increased during the first half of 2020 to 4,810 tonnes, up by 27 per cent from 2019 levels. The volume involved however remains small in comparison to New Zealand and the increase was mainly due to strong increases in imports during March and April this year with volumes declining strongly in May and June.

Figure 1: Monthly imports of sheepmeat by the UK from other EU countries 2019-2020 (Source AHDB/HMRC)



CONSIDER PRODUCTION COSTS WHEN BUYING STORE LAMBS

Local livestock marts have reported a firm trade for both finished and store lambs in recent weeks. The trade for good quality store lambs has been particularly firm with buyers very active around the sale rings and trade running ahead of previous years.

The average live weight lamb price in NI last week was 418.6p/kg, up 88.4p/kg from the 330.2p/kg paid during the corresponding week in 2019. This accounts for a 27 per cent increase year on year.

Overall lamb numbers in the marts have been similar to previous years while some reports have indicated tighter supplies of store lambs. Throughput in local plants since the start of June this year has totalled 127,719 head, up 12,369 head or 11 per cent ahead of the same period last year. Meanwhile lamb exports to ROI for direct slaughter totalled 71,072 head between June-August 2020, back from 73,433 head in the same period in 2019.

When purchasing store lambs it is important that buyers have target finishing dates and consider the cost of taking these stores through to slaughter. If grass supplies are limited then producers should opt for short keep store lambs and where grass is more plentiful longer keep store lambs may be a viable option.

Provided that the lambs purchased are of good quality, store lambs on good quality grazing can be expected to gain 180-200g per day during September. As the year progresses the performance of lambs at grass will ease back to 150-170g/day moving into October and down to 100g/day in late October and November.

Image 1: Producers should aim to buy lambs that suit grass supplies and target finishing dates.

It is important to take these growth rates into account when purchasing store lambs and producers may consider supplementing lambs with meal to maintain performance and allow them to meet finishing targets. When calculating a finishing budget producers should also remember to factor in costs such as mortality, veterinary and transport costs.

Buyers should try to purchase store lambs that suit their system by focusing on the weight, price and quality of lambs on offer. Where possible lambs should be bought in even batches as they should all come fit for slaughter at a similar time.

Meeting market specifications will help maximise returns. The current specification from the major processors is for R grading lambs or better with a fat score of 2 or 3 and a carcase weight of 21kg. Processors also have a strong preference for lambs with FQ status.

Achieving FQ assured status for sheep allows producers to keep their options open when marketing their lambs. The enhanced assurances on animal welfare, food safety, traceability and care for the environment provided by the NI Farm Quality Assurance Scheme allows local processors to service the high value UK retail and food service markets. For many of these customers FQAS status is a key requirement of their product specification.

ROI AN IMPORTANT OUTLET FOR NI SHEEP SECTOR

Last week 6,342 lambs were exported from NI for direct slaughter in ROI. This takes total exports between June and August 2020 to 71,072 head, a 3.2 per cent decrease from the corresponding period last year.

Lambs exported out of NI for direct slaughter in ROI accounted for 36 per cent of total lamb output from the NI sheep sector between June and August 2020. This is back slightly from the same period in 2019 when the 73,443 lambs exported accounted for 39 per cent of total output from the NI sheep flock.

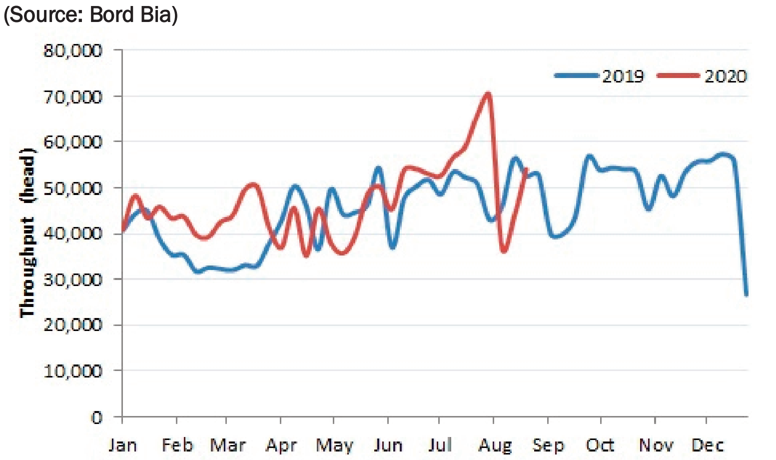
The live export of lambs to ROI for direct slaughter provides a valuable outlet for the NI sheep industry however these lambs are equally important to processors in ROI who rely on access to NI origin lambs to help maintain plant throughput.

As indicated in **Figure 2** lamb throughput in ROI plants has shown some volatility in recent weeks due to some Covid-19 related disruptions. Lamb throughput in ROI totalled 54,076 head last week taking throughput since June 2020 to 644,940 head. In the corresponding period in 2019 lamb throughput totalled 589,554 head which represents a 9.4 per cent increase year on year.

Similar to market conditions in NI the relatively good production conditions on Irish farms combined with strong market prices have contributed to lambs being marketed earlier in ROI. As outlined in **Figure 2** there was a particularly strong lamb throughput in ROI during July 2020. This has led to a tighter supply situation as we move into the Autumn and has contributed to a firmer trade for both finished and store lambs in ROI.

NI origin lambs have accounted for 11 per cent of total lamb throughput in ROI plants since June 2020, back slightly from 12.4 per cent in the corresponding period in 2019.

Figure 2: Weekly lamb/hogget throughput in ROI processing plants 2019-2020 (Source: Bord Bia)



WEEKLY BEEF & LAMB MARKETS

LMC
Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 24/08/20	Next Week 31/08/20
Prime		
U-3	354 - 364p	350 - 360p
R-3	348 - 358p	344 - 354p
O+3	342 - 352p	338 - 348p
P+3	292 - 306p	288 - 302p
	Including bonus where applicable	
Cows		
O+3 & better	260 - 275p	260 - 270p
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 22/08/20	Steers	Heifers	Young Bulls
U3	375.8	377.6	368.2
R3	372.1	372.2	367.7
O+3	363.4	362.9	357.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 22/08/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	179.2	194.5	208.4	222.0
P2	201.4	225.0	248.5	261.0
P3	238.4	231.6	266.4	271.4
O3	-	243.9	278.4	288.5
O4	-	285.0	292.5	295.4
R3	-	-	-	303.4

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 24/08/20	Next Week 31/08/20
Lambs up to 21kg	445-450p	435-445p

REPORTED SHEEP PRICES

(P/KG)	W/E 08/08/20	W/E 15/08/20	W/E 22/08/20
NI L/W Lambs	404.0	413.3	418.6
NI D/W Lambs	441.1	433.4	439.7
GB D/W Lambs	469.0	468.3	460.9
ROI D/W	438.8	438.2	444.7

Deadweight Cattle Trade

Base quotes from the plants for in spec U-3 grading steers and heifers came under some pressure this week to 354-360p/kg with most of the plants quoting 356-360p/kg for both steers and heifers. Quotes for early next week are expected to range from 350-360p/kg with one plant reducing their quote to 350-352p/kg for both steers and heifers. Quotes for O+3 grading cows ranged from 260-275p/kg across the plants this week with quotes for Monday expected to range from 260-270p/kg.

The plants have reported good supplies of prime cattle available for slaughter with 6,372 head processed in local plants last week. This was up on the previous week when local prime cattle throughput totalled 6,192 head. Cow throughput has also remained firm with 2,000 cows processed in NI last week up from the 1,896 cows processed the previous week.

Imports of cattle from ROI for direct slaughter last week consisted of 451 prime cattle and 200 cows which was similar to 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 one young bull and 54 cows exported last week. No cattle made the journey to GB for direct slaughter.

The deadweight prime cattle trade was mixed in NI last week with the average steer price up by 0.6p/kg to 366.5p/kg and the R3 steer price up by 2.6p/kg to 377.1p/kg. The average heifer price in NI last week was 367.7p/kg, back 1.4p/kg from the previous week while the R3 heifer price decreased by a penny to 374.5p/kg. The average young bull price last week increased by just over a penny to 355.5p/kg with the R3 young bull price up by 4.6p/kg to 367.8p/kg. Meanwhile the cow trade came under some pressure last week with the average cow price back by 8.8p/kg to 262.1p/kg with the O3 cow price back by 1.9p/kg to 287.2p/kg.

Meanwhile in GB last week the deadweight prime cattle trade improved across the majority of grades. The average steer price in GB last week was up 2.7p/kg to 374.3/kg with the R3 steer price up by just under 2p/kg to 381.7p/kg. The R3 steer price improved across all of the regions except Northern England where a decline of 0.4p/kg was reported. The average heifer price in GB last week increased by 0.7p/kg to 373.6p/kg with the R3 heifer price up by 2p/kg to 380.5p/kg. All of the regions reported increases in prices paid for R3 heifers with the Midlands and Wales reporting the strongest increase of just over 3p/kg to 380.1p/kg. The overall average cow price decreased in GB last week by 0.8p/kg to 264.5p/kg while the O3 cow price held steady at 289.6p/kg.

In ROI last week the deadweight cattle trade came under pressure in euro terms. The R3 steer price was the equivalent of 335p/kg back by just under 2p/kg from the previous week. This puts the ROI R3 steer price 42.1p/kg below the corresponding NI price. The R3 heifer price in ROI last week decreased by just under 3p/kg to 337.4p/kg which places it 37.1p/kg lower than the equivalent NI price. Prime cattle throughput in ROI totalled 27,582 head last week, back slightly from the previous week and an increase of 748 head when compared to the same week in 2019.

Deadweight Sheep Trade

Quotes this week from the local plants for R3 grading lambs came under some pressure and ended this week at 435-445p/kg up to 21kg. The availability of lambs for slaughter has continued to remain strong in line with normal seasonal trends with 11,817 lambs processed locally last week. This was similar to the previous week and well above the 10,324 lambs processed in the same week in 2019. Lamb exports to ROI for direct slaughter last week totalled 6,342 head, an increase of 796 head when compared to the 5,546 head exported the previous week. The average deadweight lamb price in NI last week was 439.7p/kg, up 6.3p/kg from the previous week. The deadweight sheep price in ROI last week was the equivalent of 444.7p/kg, up 6.5p/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 580 fat lambs sold from 409-431p/kg compared to 420 lambs last week selling from 410-433p/kg. On Tuesday in Rathfriland 776 lambs sold from 400-500p/kg (avg 427p/kg) compared to 600 lambs last week selling from 415-485p/kg (avg 439p/kg). In Enniskillen this week 748 lambs sold from 400-462p/kg compared to 882 lambs last week selling from 400-432p/kg. In Markethill this week 1,360 lambs sold from 400-435p/kg compared to 1,120 lambs last week selling from 410-445p/kg. Good numbers of cull ewes passed through the marts this week with a top reported price of £130 in Swatragh last Saturday.

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

W/E 22/08/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	377.8	344.9	394.2	378.7	377.4	382.9	384.7
	R3	377.1	335.0	395.4	378.3	377.7	378.0	381.7
	R4	373.8	335.7	393.1	387.4	374.8	377.4	386.8
	O3	363.7	318.7	379.1	361.8	356.2	358.0	361.1
	AVG	366.5	-	390.2	373.0	366.8	365.9	374.3
Heifers	U3	377.6	349.0	400.8	386.4	387.4	387.1	391.2
	R3	374.5	337.4	391.2	378.9	380.1	374.8	380.5
	R4	373.9	337.2	392.9	381.1	379.6	376.9	384.9
	O3	365.9	323.0	372.5	362.0	359.7	354.5	360.3
	AVG	367.7	-	389.5	373.3	366.6	362.4	373.6
Young Bulls	U3	368.2	328.2	384.4	371.0	377.3	376.8	379.7
	R3	367.8	317.8	379.3	367.4	377.0	370.9	375.7
	O3	351.6	304.3	342.1	343.9	351.9	334.9	345.5
	AVG	355.5	-	375.4	358.3	370.6	354.4	367.9
Prime Cattle Price Reported		5,110	-	6,585	6,821	6,837	4,830	25,073
Cows	O3	287.2	267.4	293.3	286.0	292.2	289.6	289.6
	O4	295.3	267.4	295.6	286.1	288.7	285.4	288.2
	P2	249.6	245.6	252.5	245.0	250.7	253.7	251.0
	P3	268.6	258.1	268.2	264.2	264.7	268.6	266.1
	AVG	262.1	-	285.1	267.9	259.8	259.3	264.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=90.25p 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 22/08/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	220	232	223	200	219	210
Friesians	168	192	175	149	166	157
Heifers	204	224	213	190	203	197
Beef Cows	159	217	175	120	158	140
Dairy Cows	123	149	129	100	122	110
Store Cattle (p/kg)						
Bullocks up to 400kg	235	270	250	200	234	217
Bullocks 400kg - 500kg	220	264	240	200	219	208
Bullocks over 500kg	210	231	220	180	209	195
Heifers up to 450kg	220	240	230	180	219	200
Heifers over 450kg	200	221	208	170	199	185
Dropped Calves (£/head)						
Continental Bulls	370	500	410	250	365	305
Continental Heifers	300	450	375	200	295	250
Friesian Bulls	120	225	200	50	115	85
Holstein Bulls	100	200	140	35	95	65

LATEST SHEEP MARTS (P/KG LW)

From: 22/08/20		Lambs			
To: 27/08/20		No	From	To	Avg
Saturday	Omagh	1559	445	495	-
	Swatragh	1970	405	478	-
Monday	Massereene	1026	410	446	-
	Kilrea	580	409	431	-
Tuesday	Saintfield	740	400	496	-
	Rathfriland	776	400	500	427
Wednesday	Ballymena	2008	400	437	415
	Enniskillen	748	400	462	-
	Armoy	581	410	455	-
	Markethill	1360	400	435	-

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

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