

HEAVIER CARCASSES MAINTAINING BEEF THROUGHPUT IN NI PLANTS

REPORTS from the major NI processors have indicated steady supplies of all types of cattle coming forward for slaughter in recent weeks with supplies of cattle outpacing demand for beef at present.

Prime cattle throughput in NI last week totalled 7,080 head, an increase of 368 head from the previous week. In the same week last year 6,668 prime cattle were killed in NI plants. This takes prime cattle throughput for the six week period ending 05 December 2015 to 40,669 head, a 1.5 per cent decrease from the corresponding period in 2014 when 41,276 prime cattle were killed in NI plants.

Prime cattle throughput in NI plants for the year to date has totalled 296,868 head. This is a 1.5 per cent decrease from the same period in 2014 when 301,049 prime cattle were slaughtered.

Despite the decline recorded in prime cattle throughput in NI during the six week period ending 05 December 2015 the volume of beef sourced from prime cattle processed by NI plants recorded an increase. During the 2015 period 14,052 tonnes of beef from prime cattle was processed by NI plants. This was an increase of 348 tonnes from the 13,705

tonnes processed during the corresponding period in 2014 and accounted for a 2.5 per cent increase in throughput year on year.

This increase in the volume of beef processed by NI plants can be attributed to the notable increase in the average prime cattle carcass weights in NI. During the six weeks ending 05 December 2015 the average prime cattle carcass weight in NI was 346kg, an increase of 13.6kg from the same period in 2014 when the average carcass weight was 332.3kg. Table 1 provides a summary of changes to average carcass weights year on year broken down by category.

The most notable increase in average carcass weights was for steers which increased by 15kg to 359.6kg in the 2015 period. This accounts for a 4.3 per cent increase year on year. The average carcass weight of heifers increased by 9.2kg to 323.2kg in the 2015 period which accounts for a 2.9 per cent increase year on year. The average young bull carcass weight during the 2015 period was 342.3kg, an increase of 11.5kg from the corresponding period in 2014.

Cow throughput has remained strong in NI during the six weeks ending 05

December 2015 with a total of 14,122 head killed in NI plants during this period. This is an 8.8 per cent increase from the 12,974 cows killed in NI plants during the same period in 2014. The average carcass weight of cows also recorded an increase from 297.7kg in the 2014 period to 306.2kg in the 2015 period.

This increase by 8.5kg accounts for a 2.9 per cent increase year on year. The combination of increased cow throughput and an increase in the average carcass weight has resulted in a notable increase in the volume of cow beef handled by NI processors.

During the 2015 period NI processors handled 4,324 tonnes of cow beef compared to 3,861 tonnes during the corresponding period in 2014. This increase by 463 tonnes accounts for a 12 per cent increase in the volume of cow beef processed year on year.

During the six week period ending 05 December 2015 64 per cent of the price reported NI cow kill were of dairy origin with the remaining 36 per cent made up by suckler origin cows. These proportions were unchanged from the corresponding period in 2014.

Figure 1: Prime cattle slaughterings in NI from January 2014 to December 2015

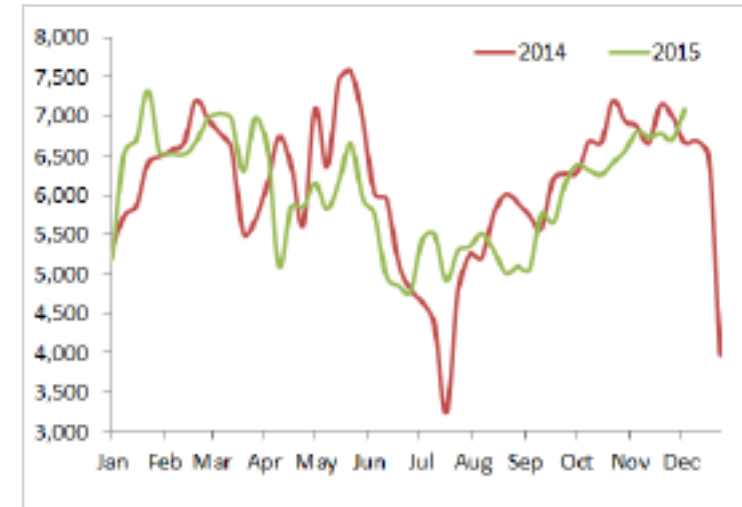


Table 1: Average carcass weights of prime cattle by category during the six week period ending 05 December 2015 and the corresponding period in 2014

	Steers	Heifers	Young Bulls	Total
2014	344.6	314.1	330.8	332.3
2015	359.6	323.2	342.3	346.0
Change kg	+15.0	+9.2	+11.5	+13.6
Change %	+4.3%	+2.9%	+3.5%	+4.1%

MORE HEAVIER STEER CARCASSES IN NI PRIME KILL

As indicated above there has been a notable increase in the average carcass weight of all classes of prime cattle being presented for slaughter in NI plants. With strong prices paid for store cattle in NI during 2014 and early 2015 it is likely that producers are finishing cattle at higher carcass weights to maximise returns per head.

At present the major NI processors have a preference for steer and heifer carcasses within the 280-380kg weight range as these meet the specification criteria of many of their major retail customers, although there may be some variation to this for individual orders. Figure 2 provides a breakdown of the carcass weights of price reported steers during the six weeks ending 05 December 2015 and the same period in 2014.

As indicated in Figure 2 steer carcasses below 280kg accounted for 7 per cent of all price reported steer carcasses during the 2015 period, down slightly from 10 per cent in the

corresponding period in 2014. Meanwhile the proportion of steer carcasses within the desired 280-380kg weight range has recorded a notable decline from 65 per cent in the 2014 period to 57 per cent in the 2015 period.

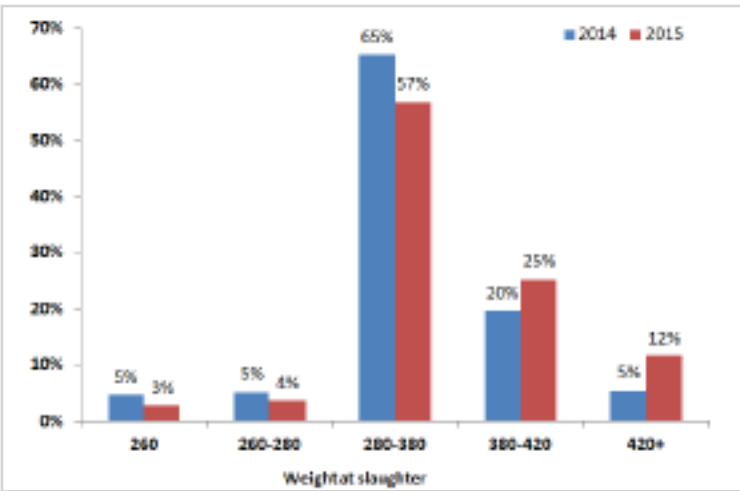
The proportion of steer carcasses within the 380-400kg increased by five percentage points to account for 25 per cent of the price reported steer kill in the six weeks ending 05 December 2015. The proportion of steer carcasses over 420kg increased by seven percentage points to account for 12 per cent of the total price reported steer kill during the 2015 period.

The current quoted penalties from the major processors for prime cattle over 420kg are in the region of 20p/kg. During the six week period ending 05 December 2015 the average penalty on R3 grade steers over 420kg that were otherwise in spec was 15.5p/kg. While taking cattle to higher carcass weights to maximise returns is

understandable it is important that producers try to present prime cattle for slaughter within current market specifications. However it is equally important that processors send the correct market signals to NI producers to encourage them to do so.

NI beef producers are encouraged to liaise directly with the procurement staff of the individual plants before finishing cattle. This will help ensure that the cattle being presented for slaughter will meet current market specifications and maximise returns for the entire supply chain.

Figure 2: Carcass weights of price reported steers during the six week period ending 05 December 2015 and the corresponding period in 2014.



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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 07/12/15	Next Week 14/12/15
Prime		
U-3	310 - 314p	308 - 312p
R-3	304 - 308p	302 - 306p
O+3	298 - 302p	296 - 300p
P+3	224 - 262p	222 - 260p
Including bonus where applicable		
Cows		
O+3 & better	214-230p	214-230p
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 05/12/15	Steers	Heifers	Young Bulls
U3	317.9	324.3	310.3
R3	317.4	318.7	309.1
O+3	307.5	310.9	302.6

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 05/12/15	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	127.5	136.6	147.3	164.9
P2	143.3	157.9	176.1	202.8
P3	167.2	188.3	206.9	215.8
O3	171.9	199.2	218.1	233.0
O4	-	205.1	212.2	233.1
R3	-	-	-	252.7

Deadweight Cattle Trade

THE deadweight cattle trade has come under some pressure in NI with base quotes for in spec U-3 grade prime cattle for early next week ranging from 308-312p/kg. Quotes for good quality O+3 grade cows ranged from 214-230p/kg across the plants. The processors have reported steady supplies of prime cattle coming forward to meet demand for beef with a total of 7,080 prime cattle and 2,177 cows slaughtered in NI plants last week.

Imports of prime cattle from ROI for direct slaughter in NI plants last week totalled 380 head, very similar to the 389 head imported the previous week and accounting for five per cent of total prime cattle throughput. In the corresponding week in 2014, 557 prime cattle were imported from ROI for direct slaughter and accounted for eight per cent of total prime cattle throughput. The number of cows imported from ROI for direct slaughter in NI plants totalled 75 head compared to 60 cows the previous week and 133 in the corresponding week in 2014. Meanwhile 175 cows were exported from NI for direct slaughter in ROI plants last week, a decrease from 311 cows the previous week. Exports from NI for direct slaughter in GB last week consisted of 250 prime cattle and 77 cows, similar to the previous week when 258 prime cattle and 50 cows were exported.

The average steer price in NI last week was similar to the previous week at 311.7p/kg while the R3 steer price decreased by 2p/kg to 320.0p/kg. The average heifer price in NI last week was back by 1.2p/kg to 315.7p/kg while the R3 heifer price decreased by 2.8p/kg to 320.3p/kg. The average cow price in NI last week was back by 6.3p/kg to 208.3p/kg with the O3 cow price back by a similar margin to 231p/kg.

The average steer price in GB last week was back by 2.4p/kg to 344.0p/kg and similarly the R3 steer price in GB decreased by 2.6p/kg to 349.7p/kg. This puts the differential in R3 steer prices last week between NI and the GB average at 29.7p/kg which is the equivalent of £98 on a 330kg carcass. R3 steer prices decreased by 5.3p/kg in Southern England, 3.2p/kg in Northern England and 2.7p/kg in Scotland last week. Meanwhile the average heifer price in GB last week decreased by 1.0p/kg to 343.8p/kg and the R3 heifer price decreased by 2.7p/kg to 349.2p/kg. This puts the differential in R3 heifer prices last week between NI and the GB average at 28.9p/kg which is the equivalent of £95 on a 330kg carcass.

In ROI last week deadweight prices for prime cattle held fairly steady in euro terms but firmed in sterling terms. The R3 steer price in ROI was the equivalent of 269.8p/kg last week, up by 2.5p/kg from the previous week, while the R3 heifer price was the equivalent of 281.7p/kg, up by 2.2p/kg from the previous week. Cow prices in ROI recorded declines last week with the O3 cow price back by 2.8p/kg to 211.7p/kg which is 19.3p/kg lower than the equivalent price in NI. Prime cattle throughput increased to 26,846 head in ROI last week, an increase of 724 from the previous week. This was the highest weekly throughput of prime cattle in ROI this year to date.

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

	W/E 05/12/2015	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	318.9	276.0	369.9	353.2	354.2	355.5	358.7
	R3	320.0	269.8	364.9	346.9	342.9	339.8	349.7
	R4	319.6	268.7	365.6	357.9	343.0	340.0	354.7
	O3	307.0	257.1	344.6	325.4	313.7	318.8	326.6
	AVG	311.7	-	362.9	344.6	331.0	329.4	344.0
Heifers	U3	324.6	291.2	375.8	358.4	348.1	353.3	361.1
	R3	320.3	281.7	363.8	345.3	343.1	339.6	349.2
	R4	319.9	281.7	364.8	352.0	341.7	339.4	351.9
	O3	309.6	271.9	339.2	323.1	306.0	313.9	323.0
	AVG	315.7	-	362.4	344.8	327.5	327.4	343.8
Young Bulls	U3	309.9	270.6	362.3	343.6	345.5	335.2	346.0
	R3	308.1	265.5	353.8	324.9	328.5	336.2	331.7
	O3	290.7	256.4	315.3	292.9	304.5	298.9	301.8
	AVG	294.7	-	331.4	312.0	311.2	309.1	313.6
Prime Cattle Price Reported	5609	-	7017	7398	5682	4355	24452	
Cows	O3	231.0	211.7	228.4	213.9	220.0	209.5	219.5
	O4	232.0	212.6	232.4	219.7	219.9	210.6	221.9
	P2	183.2	188.3	177.0	170.3	174.8	161.1	172.1
	P3	212.1	203.8	191.6	191.8	191.6	193.7	192.0
	AVG	208.3	-	218.5	187.0	185.6	178.3	194.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=70.93p 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 LIVELINE CATTLE MART PRICES NI

W/E 28/11/15	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	181	199	187	160	180	170
Friesians	135	150	143	120	128	125
Heifers	179	210	198	150	175	165
Beef Cows	126	156	133	106	125	115
Dairy Cows	91	106	96	60	90	75
Store Cattle (p/kg)						
Bullocks up to 400kg						
Bullocks 400kg - 500kg	192	200	196	155	182	170
Bullocks over 500kg	182	187	184	155	178	171
Heifers up to 450kg	180	190	185	154	179	167
Heifers over 450kg	173	185	179	154	172	163
Dropped Calves (£/head)						
Continental Bulls	285	365	320	180	280	230
Continental Heifers	200	300	260	120	198	160
Friesian Bulls	80	160	125	20	78	50
Holstein Bulls	60	145	85	8	58	35

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 07/12/15	Next Week 14/12/15
Lambs	330p > 22kg	330p > 22kg

REPORTED SHEEP PRICES

(P/KG)	W/E 21/11/15	W/E 28/11/15	W/E 05/12/15
NI Lambs L/W	299.6	299.7	296.4
NI Lambs D/W	321.3	326.4	327.1
GB Lambs D/W	351.1	355.9	363.0
ROI D/W	313.9	324.9	329.5

Deadweight Sheep Trade

QUOTES from the major NI processors for R3 grade lambs strengthened this week to 330p/kg with plants paying up to 22kg. The plants have reported a slight increase in the number of lambs coming forward for slaughter with throughput last week totalling 9,662 head. This was an increase of 636 head from the 9,026 lambs killed in NI during the previous week. Exports of lambs from NI to ROI for direct slaughter last week totalled 7,442 head compared to 6,631 lambs the previous week. The deadweight lamb price in NI last week increased by 0.7p/kg to 327.1p/kg while in ROI last week the deadweight lamb price increased by the equivalent of 4.6p/kg to 329.5p/kg.

This week's marts

A relatively steady trade was reported across the marts this week with good numbers passing through many of the sale rings. In Massereene on Monday 1102 lambs sold from 290-318p/kg compared to 903 lambs last Monday selling from 290-315p/kg. In Saintfield this week 606 lambs sold from 275-325p/kg compared to 350 lambs last week selling from 280-335p/kg. In Rathfriland this week 970 lambs sold to an average of 289p/kg compared to 915 lambs last week selling to an average of 295p/kg. In Ballymena this week a good entry of 2,210 lambs sold from 278-343p/kg compared to 1,802 lambs last week selling from 275-336p/kg. Top reported prices for cull ewes generally ranged from £70-90 with a top reported price of £113 in Armoy on Tuesday.

LATEST SHEEP MARTS

From: 04/12/15		Lambs (P/KG LW)			
To: 10/12/15		No	From	To	Avg
Friday	Newtownstewart	328	285	321	-
Saturday	Omagh	958	296	330	-
	Swatragh	685	265	346	310
Monday	Massereene	1102	290	318	-
	Kilrea	650	284	298	-
Tuesday	Saintfield	606	275	325	-
	Rathfriland	970	269	347	289
Wednesday	Ballymena	2210	278	343	292
	Enniskillen	898	290	315	-
	Markethill	1100	285	324	295
	Armoy	324	290	312	298

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