LMC

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MORE BEEF CATTLE ON NI FARMS

APHIS data for the end of June 2017 has indicated an increase in the number of cattle on NI farms intended for beef production when compared to June 2016 levels.

There were 45,918 beef sired male cattle on NI farms at the end of June 2017 aged from 24-30 months, a 3.1 per cent increase from year earlier levels. Meanwhile there were 43,251 beef sired male cattle in the 18-24 month age category, up 8.4 per cent from 2016 levels while there were 113,971 beef sired male cattle aged 12-18 months, up 5.7 per cent from year earlier levels.

A similar trend can be observed in the number of beef sired heifers on NI farms at the end of June 2017. A total of 70,781 beef sired females were on NI farms in the 24-30 month age category, a 5.9 per cent increase from year earlier levels. In the 18-24 month age category there were 50,454 beef sired heifers, up 9.1 per cent from year earlier levels. Meanwhile there were 116,551 beef heifers in the 12-18 month age category at the end of June 2017, up 5.5 per cent from year earlier levels.

While the number of beef sired cattle on NI farms has recorded a notable increase the number of dairy sired male cattle has generally declined. There were 23,715 dairy sired male cattle on NI farms aged from 18-30 months in June 2017, a 7.7 per cent increase from June 2016 levels when there were 22,013 head in this age category. However this increase has been offset by a 21.1 per cent decline in the number of dairy sired males aged 12-18 months.

An increase in the use of beef bulls on the dairy herd has been a contributing factor behind the increase in the number of beef sired cattle currently on NI farms. With less dairy cows mated using dairy bulls this trend will also have been a contributing factor behind the declining number of dairy sired males on NI farms. Exports of dairy male calves for further production on the continent held relatively steady at approximately 20,000 per annum during 2015 and 2016.

Overall the number of cattle for beef production on NI farms has increased as outlined in both Figure 1 and Table 1. At the end of June 2017 there were 124,677 cattle for beef production aged 24-30 months on NI farms, a 5.6 per cent increase from June 2016 levels. Meanwhile the number of cattle in the 18-24 month and 12-18 month age ranges increased by 7.8 per cent and 3.5 per cent respectively over the same period.

With exports of prime cattle from NI to both ROI and GB for direct slaughter currently operating at very low levels the increase in beef cattle numbers on NI farms should lead to an increase in the availability of prime cattle from local producers for slaughter in local plants in the short term.

It should however be noted that imports of prime cattle for direct slaughter in local plants from ROI are currently operating at very low levels which will help to offset some of the increase in local cattle availability. During 2017 to date 4,980 prime cattle have been imported for direct slaughter in local plants compared to 6,608 head during the same period in 2016.

There has also been a decline in the average carcase weight of prime cattle killed in local plants which will offset some of the expected increase in prime cattle throughput. During 2017 to date the average prime cattle carcase weight in NI has been 332.8kg, a decline of 8kg from the same period in 2016 when the average carcase weight was 340.8kg. This accounts for a 2.3 per cent decline year on year.

Figure 1: Total cattle for beef production on NI farms at the end of June 2015-17 broken down by age category

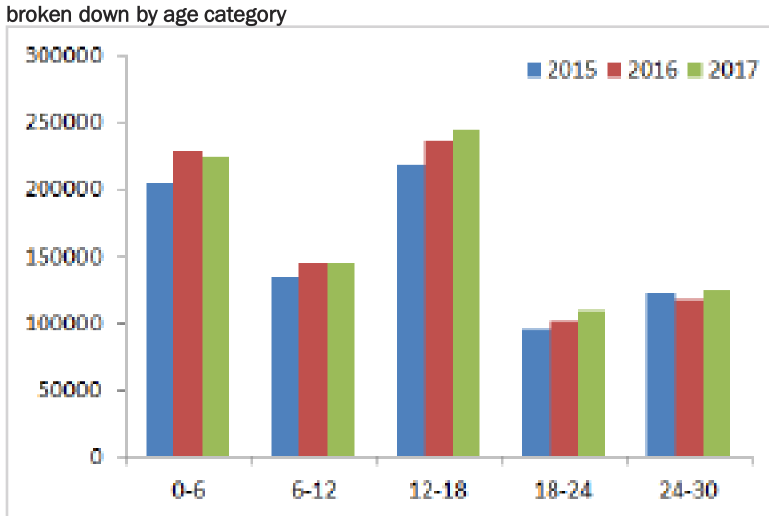

Table 1: Total cattle for beef production on NI farms at the end of June 2015-17 broken down by age category

	2015	2016	2017	% Change 2016/2017	% Change 2015/2017
0-6	205228	228343	224915	-1.5%	9.6%
6-12	135026	145738	145493	-0.2%	7.8%
12-18	218878	236728	245032	3.5%	11.9%
18-24	95231	101494	109442	7.8%	14.9%
24-30	123004	118083	124677	5.6%	1.4%

MORE OF UK BEEF IMPORTS COMING FROM THE EU

DURING the first 5 months of 2017 the UK imported 106,241 tonnes of beef, similar to the same period in 2016 when 105,197 tonnes were imported. This accounts for a 1 per cent increase in total beef imports year on year.

However while total imports of beef have held relatively steady there have been changes in the source of imported beef year on year. During the 2017 period the UK imported 101,610 tonnes of beef from the EU which accounted for 96 per cent of total beef imports. This is an increase from 96,200 tonnes of beef imported from the EU during the 2016 period which accounted for 91 per cent of total UK beef imports.

Ireland continues to be the largest source of UK beef imports with 75,194 tonnes imported during the first five months of 2017. This accounted for 74 per cent of all beef imports from the EU during this period and was a five per cent increase from 71,812 tonnes imported during the same period in 2016. There were also increases recorded in the volume of beef imported by the UK from the Netherlands, Spain, Poland, France and Belgium during the first five months of 2017 when compared to 2016 levels although the volumes involved remain small in comparison to imports from Ireland. There were declines recorded in the volume of beef imported from Germany, Italy and Denmark during the 2017 period.

UK imports of beef from non-EU countries totalled 4,631 tonnes during the 2017 period, a 49 per cent decline from 8,997 tonnes during the same period in 2016. Imports from Australia declined by 46 per cent year on year to total 1,033 tonnes during the 2017 period while imports from Brazil declined by 67 per cent to 566 tonnes during the 2017 period. There were also declines in imports by the UK from Uruguay, Namibia, New Zealand and Botswana. Meanwhile Argentina was the only region to increase exports to the UK during the 2017 period although the volumes involved remain very small.

EU SHORT TERM OUTLOOK FOR BEEF

THE EU short term economic outlook for agricultural markets has recently been published and has indicated a fourth consecutive year of increases in beef production in the EU during 2017. During the first quarter of 2017 total beef production in the EU was relatively stable with production up just 0.2 per cent from year earlier levels.

By contrast beef production in the first quarter of 2016 was 2.1 per cent higher than the corresponding period in 2015. This slowdown in production growth during the first quarter of 2017 can be attributed to a drop in steer and young bull throughput (-2.2 per cent) while cow throughput in the EU has stabilised after increasing strongly early in 2016. Meanwhile the average carcase weights across the EU have remained stable for all categories of cattle during the first quarter of 2017.

In the December 2016 Agricultural Census the EU cow herd remained stable which indicates that there is still significant potential for beef production at the EU level. However there are some indications of a slowdown in beef production in some regions of the EU with beef production forecast to decline in 2018 by 1.4 per cent from 2017 levels.

It should be noted though that changes in beef production are difficult to forecast due to the pace of change in the beef and dairy industries and the long production cycle of beef. As a consequence of this the decline in EU beef production during 2018 is still uncertain however productivity gains in the dairy herd and the profitability of the various beef production systems across the EU are expected to be the main drivers behind the forecast decline in the medium term.

Live cattle exports from the EU during the first quarter of 2017 were three per cent lower than year earlier levels due to difficulties in exporting to Turkey during January and February. However exports to the region appear to have recovered again in March and April and the relaxation of Turkish requirements with regards to bluetongue vaccination should help facilitate this live trade. There has also been growth in live cattle exports from the EU to both Israel and Algeria which will contribute to the forecast 15 per cent increase in total live cattle exports in 2017.

During the first four months of 2017 EU beef exports recorded a 26 per cent increase in volume terms from the corresponding period in 2016 with Hong Kong being a key driver behind the increase. Overall the outlook for exports in 2017 is positive with exports expected to be 10 per cent higher for 2017 as a whole when compared to 2016 levels. The EU's access to niche markets and an extensive range of other destinations has facilitated carcase balance by providing a useful outlet for parts of the beef carcase not utilised or favoured within the domestic EU market.

EU beef imports declined by 10 per cent during the first four months of 2017 when compared to the same period in 2016 with a 20 per cent decline in exports from Brazil to the EU year on year. A revaluation of the Brazilian currency and irregularities during health inspections at some major Brazilian meat plants have weakened Brazil's position as a global meat trader and contributed to the decline in EU imports from the region during 2017 to date. There has however been an increase in imports of beef to the EU from Argentina, Uruguay and the US which has helped offset some of this decline.

During 2016 the availability of beef for consumption in the EU increased by 2.3 per cent and it is expected to further increase by 0.6 per cent in 2017. However during 2018 reduced availability of beef on the EU market has the potential to depress EU beef consumption levels.

WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 17/07/17	Next Week 24/07/17
Prime		
U-3	360 - 364p	360 - 364p
R-3	354 - 358p	354 - 358p
O+3	348 - 352p	348 - 352p
P+3	290 - 310p	290 - 310p
	Including bonus where applicable	
Cows		
O+3 & better	270 - 280p	270 - 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 15/07/17	Steers	Heifers	Young Bulls
U3	374.2	372.2	366.4
R3	368.0	366.9	364.5
O+3	355.2	356.0	353.6

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 15/07/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	186.5	197.9	205.1	225.4
P2	199.6	217.5	244.6	258.3
P3	196.0	244.1	262.8	266.2
O3	220.0	251.0	275.8	284.0
O4	230.0	-	272.4	288.0
R3	-	-	296.0	299.7

Deadweight Cattle Trade

BASE quotes from the plants held steady this week at 360-364p/kg for U-3 grade in spec steers and heifers. The majority of plants are quoting 362p/kg for steers and 364p/kg for heifers however reports have indicated that there has been tighter cattle availability this week which has allowed some producers to negotiate higher prices. Quotes for good quality O+3 grade cows also held steady across the plants this week at 270-280p/kg with similar quotes for all types of cattle expected early next week.

With the shorter kill week last week prime cattle throughput in NI totalled 4,522 head, back 1,465 head from the previous week and the lowest weekly throughput of prime cattle for the year to date. Cow throughput last week totalled 1,385 head, back 682 head from the previous week. In the corresponding week in 2016 4,131 prime cattle and 1,358 cows were killed in local plants. Imports for direct slaughter from ROI last week consisted of 40 prime cattle and 47 cows while a further 11 prime cattle and 75 cows were imported from GB. Exports from NI to ROI for direct slaughter last week consisted of 81 prime cattle and 14 cows while no cattle were exported to GB for direct slaughter.

The deadweight trade for prime cattle held steady in NI last week with average reported prices within a penny of the previous week. The average steer price in NI last week was back marginally from the previous week to 360.5p/kg, while the R3 steer price increased by almost a penny to 371.5p/kg. In the same week last year the R3 steer price in NI was 331.4p/kg which equates to an increase of £140 in the value of a 350kg R3 grade steer year on year. The average heifer price in NI last week was unchanged at 363.4p/kg while the R3 heifer price was up by half a penny to 371.9p/kg.

In GB last week the average steer price was back by a penny to 367.4p/kg however there was some variation across the regions with the average price almost unchanged in the Midlands and Southern England while in Northern England the average steer price was back by 3.6p/kg to 363p/kg. The average R3 steer price in GB last week was back by 0.4p/kg to 378p/kg which was 6.5p/kg above the equivalent price in NI. The average heifer price in GB last week was unchanged at 371.6p/kg however there was also some variation across the regions. Average heifer prices recorded declines in the Midlands and Southern England while average prices improved by 2.1p/kg and 1p/kg in Scotland and Northern England respectively.

Deadweight prices for prime cattle held steady in ROI in euro terms last week however an improvement in the euro against sterling has increased prices in sterling terms. The R3 steer price was up by 2.5p/kg to 353.1p/kg in ROI last week while the R3 heifer price was up by a penny to 362.2p/kg. The deadweight cow trade has firmed in ROI with the O3 cow price increasing by 3.4p/kg to 286.3p/kg last week, putting it 4p/kg higher than the equivalent price in NI.

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

W/E 15/07/2017		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	375.6	361.7	390.8	375.8	380.5	380.7	382.1
	R3	371.5	353.1	391.0	370.3	375.6	372.8	378.0
	R4	368.2	354.1	393.6	382.0	374.2	376.4	382.4
	O3	358.3	337.5	366.9	341.8	344.9	346.8	350.1
	AVG	360.5	-	386.1	363.0	360.5	358.7	367.4
Heifers	U3	373.0	374.9	400.6	379.3	388.4	386.9	389.4
	R3	371.9	362.2	394.0	367.9	378.0	371.4	379.3
	R4	368.9	362.7	392.8	375.6	376.3	372.2	379.9
	O3	361.6	346.3	370.5	347.4	350.1	357.1	356.7
	AVG	363.4	-	389.6	367.1	367.0	359.1	371.6
Young Bulls	U3	366.9	358.6	384.2	361.0	366.8	374.1	370.4
	R3	363.5	347.5	377.4	355.7	356.7	363.1	360.8
	O3	346.1	328.9	329.7	317.5	322.0	330.4	322.6
	AVG	355.9	-	372.0	343.4	348.4	355.4	352.4
Prime Cattle Price Reported		4108	-	6379	6860	7029	4516	24784
Cows	O3	282.3	286.3	291.0	279.4	284.8	283.8	283.7
	O4	286.8	286.8	292.3	278.6	284.3	280.1	282.9
	P2	243.6	265.1	246.4	231.9	232.6	239.1	235.8
	P3	264.2	280.5	253.0	254.9	249.2	256.8	252.8
	AVG	267.6	-	280.5	258.0	247.6	249.3	253.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.38p 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

	1st QUALITY			2nd QUALITY		
W/E 08/07/17	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	211	230	219	185	210	198
Friesians	130	162	146	114	124	119
Heifers	203	220	213	174	198	188
Beef Cows	151	227	166	120	150	135
Dairy Cows	115	131	124	75	113	95
Store Cattle (p/kg)						
Bullocks up to 400kg	215	251	235	180	214	200
Bullocks 400kg - 500kg	210	239	220	185	209	198
Bullocks over 500kg	205	229	215	178	204	190
Heifers up to 450kg	210	247	225	170	209	190
Heifers over 450kg	200	228	212	165	199	185
Dropped Calves (£/head)						
Continental Bulls	300	400	340	200	298	250
Continental Heifers	200	335	275	120	198	165
Friesian Bulls	130	205	160	70	128	100
Holstein Bulls	80	150	115	15	78	48

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 17/07/17	Next Week 24/07/17
Lambs >21kg	430-435p	420-425p

REPORTED SHEEP PRICES

(P/KG)	W/E 01/07/17	W/E 08/07/17	W/E 15/07/17
NI Lambs L/W	398.7	399.7	403.2
NI Lambs D/W	440.3	428.9	427.4
GB Lambs D/W	477.9	461.2	466.2
ROI D/W	457.8	446.6	458.2

Deadweight Sheep Trade

QUOTES from the plants for R3 grade lambs have come under some pressure this week as increased supplies of lambs become available for slaughter. The major processors were quoting 420-425p/kg for lambs up to 21kg towards the end of this week with a similar trade expected early next week. In the corresponding week last year the plants were quoting 390-395p/kg up to 21kg for R3 grade lambs. With the shorter kill week last week lamb throughput in local plants was back by over a third to 6,469 head while exports to ROI for direct slaughter were back by a similar margin to 4,709 head. The deadweight lamb price in NI last week was back marginally to 427.4p/kg. In the corresponding week last year the deadweight lamb price in NI was 392.7p/kg which represents an increase of 34.7p/kg or £7.30 on a 21kg lamb year on year.

This week's marts

GOOD numbers of lambs passed through the sale rings this week as the majority of the marts had no sales last week. Reports have indicated that the quality of the lambs being presented for sale has generally been very good. In Newtownstewart last Saturday 320 lambs sold from 383-414p/kg while in Omagh 776 lambs sold from 399-444p/kg. In Kilrea on Monday a good entry of 580 lambs sold from 388-411p/kg while in Massereene 1,116 lambs sold from 390-417p/kg. In Saintfield this week 909 lambs sold from 380-424p/kg while in Rathfriland 860 lambs sold from 378-420p/kg. In Ballymena this week a large entry of 1,929 lambs sold from 350-406p/kg. Top reported prices for cull ewes generally ranged from £90-100 across the marts.

LATEST SHEEP MARTS

From: 14/07/17		Lambs (P/KG LW)			
To: 20/07/17		No	From	To	Avg
Friday	Newtownstewart	320	383	414	-
Saturday	Omagh	776	399	444	-
	Swatragh	650	388	420	-
Monday	Kilrea	580	388	411	-
	Massereene	1116	390	417	-
Tuesday	Saintfield	909	380	424	-
	Rathfriland	860	378	420	398
Wednesday	Ballymena	1929	350	406	384
	Enniskillen	723	382	407	-
	Markethill	1220	375	410	-
	Armoy	654	390	415	406

Contact us:
Website: www.lmcni.com
Telephone: 028 9263 3000
Fax: 028 9263 3001
FQAS Helpline: 028 9263 3024
Answerphone: 028 9263 3011
Comments: bulletin@lmcni.com

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