

STRONG SUPPLIES OF PRIME CATTLE FOR SLAUGHTER IN LOCAL PLANTS

THE local processors have reported good supplies of prime cattle coming forward for slaughter with 6,510 prime cattle killed locally last week. This is the highest weekly throughput of prime cattle in the region since early June this year. In the same week last year 6,155 prime cattle were killed in local plants.

Prime cattle throughput in NI during the last 12 weeks totalled 68,679 head, an increase of 4,556 head from the corresponding period in 2016. This accounts for a seven per cent increase year on year. Figure 1 outlines weekly prime cattle slaughterings during 2016 and 2017 to date.

This uplift in prime cattle throughput in NI during 2017 has been driven primarily by an increase in the number of slaughter age cattle on NI farms. At the end of August 2017 there were 117,316 cattle for beef production (beef sired + dairy males) on NI farms in the

24-30 month age bracket. This was a 6.3 per cent increase from August 2016 levels. Meanwhile there were 139,946 cattle for beef production on NI farms in the 18-24 month age bracket in August 2017, a 12.3 per cent increase from year earlier levels.

Imports and Exports

Increases in imports of prime cattle from ROI for direct slaughter have also contributed to the increase in throughput in local plants. During the last 12 weeks 2,488 prime cattle have been imported from ROI and these accounted for four per cent of prime cattle throughput in NI plants. In the same period last year 1,196 prime cattle were imported from ROI and these accounted for two per cent of local plant throughput.

There have also been lower levels of exports of NI origin prime cattle for direct slaughter in ROI and GB plants. During the last 12 weeks 482 prime

cattle have been exported to ROI for direct slaughter with 603 exported to GB. This compares to 482 prime cattle to ROI in the same period last year while 916 prime cattle were shipped to GB. Overall there has been a 22 per cent decline in exports of prime cattle for direct slaughter year on year.

It is however worth noting that exports of prime cattle to GB for direct slaughter have increased in recent weeks as the price differential between the two regions has widened. A total of 126 prime cattle were exported from NI to GB last week, the highest level of export for the year to date.

Carcase weights

Some of the increase in prime cattle throughput in local plants has been offset by a slight decline in average carcase weights. The average prime cattle carcase weight over the last 12 weeks was 335kg, back 2kg from the corresponding period in 2016.

The average steer carcase weight was back 4kg to 348kg during the 2017 period while the average heifer carcase weight was back 2kg to 313kg. Meanwhile the average young bull carcase weight increased by 8kg to

340kg during the 2017 period. This increase was driven by a strong increase in the proportion of beef sired young bulls in the slaughter mix, up from 66 per cent in the 2016 period to 77 per cent in the 2017 period.

Figure 1: Weekly prime cattle slaughterings in NI processing plants January 2016 to September 2017



BVD REMOVAL SCHEME TO CLOSE ON 30 SEPTEMBER

DAERA confirmed this week that the incentivisation scheme aimed at the removal of BVD persistently infected calves from NI herds will close at the end of the month. The scheme formed part of a £4 million package of support for local livestock farmers provided under EU Exceptional Adjustment Aid (EAA) and has been delivered in partnership between DAERA, AHWNI and LMC.

To be eligible for payment under this scheme, the death of the calf must be **recorded on APHIS or MC1 stamped by DAERA on or before the 30 September 2017**. Claims for payment must then be submitted to LMC within two weeks of the death of the animal being recorded.

To be eligible for payment herd keepers must have fully complied with the requirements of the BVD Eradication Scheme Order (Northern Ireland) 2016. Producers who may have a calf eligible for payment will have received a claim form from AHWNI, which must be completed and returned to LMC. All details regarding eligibility and how to claim will be included in the accompanying guidance and is also available on the LMC, DAERA and AHWNI websites.

The rate of financial assistance available under the scheme is

- £160 for a beef calf;
- £130 for a dairy heifer calf; and
- £50 for a dairy male calf.

The BVD PI Removal Incentivisation Scheme has been open for applications in NI since February and to date £119,470 has been paid out to producers. To date 73 per cent of processed claims have fulfilled all the requirements of the scheme and have qualified for payment.

Two key reasons have been identified which have made claims ineligible for payment. These issues are easily rectified by meeting the following criteria. Producers **MUST** ensure that any calf claimed for has been humanely destroyed and had its death recorded on APHIS within **four** weeks of receiving a positive BVD result or within **six** weeks where the farmer has opted to get a retest done. Producers **MUST** also ensure that the death of all calves is recorded on APHIS or notified to DAERA within **seven** days of death. This is a key requirement of the scheme but is also worth noting that failing to do so is a cross-compliance issue.

DECLINE IN MEAT AND CEREAL VALUES INFLUENCE THE FAO FOOD PRICE INDEX

THE FAO Food Price Index is a measure of the monthly change in the cost of a basket of food commodities internationally and provides a useful guide to changes in the global food market. The Index is calculated using average Food Price Indexes for Meat, Dairy, Cereals, Vegetable Oils and Sugar and is weighted with the average export shares of each of the groups.

The FAO Food Price Index for August 2017 averaged 176.6 points, back 2.3 points from July 2017 levels. However despite this month on month decline the Food Price Index during August 2017 remained 10 points higher than year earlier levels. The decline recorded in August 2017 can be attributed to lower global values for cereals, sugar and meat. These declines more than compensated for the increases recorded in the Vegetable Oil and Dairy Price Indices.

The FAO Meat Price Index averaged 172.4 points in August 2017, back by 2.1 points from July 2017 levels. This accounts for a 1.2 per cent decline and was driven primarily by a drop in bovine meat prices. The decline in bovine meat prices reflected increased export supplies from Australia and the prospect of increased domestic supplies in the United States. Meanwhile international prices for pork, ovine and poultry meat were virtually unchanged. There was an increase in import demand globally for ovine, pig and poultry meat however supplies from the main producing regions fulfilled this demand.

The FAO Cereal Price Index averaged 153.4 points in August 2017, back nine points from July 2017 levels. This decline in cereal prices can be linked to increasing global supplies. Wheat values declined by eight per cent during August 2017 as a result of improved production prospects among the major exporting regions, particularly in the Black Sea region. Meanwhile export quotes for coarse grains also generally declined due to strong supplies for export, most notably in South America.

An improvement was recorded in the FAO Dairy Price Index to 219.7 points in August 2017. This was an increase of 3.1 points from July 2017 levels and 65 points from August 2016 levels. While there has been a strong increase in the Dairy Index year on year the value recorded in August 2017 remains well below the record levels set in February 2014. Reduced availability of butter and whole milk powder for export contributed to price increases in August 2017. By contrast quotations for skimmed milk powder came under pressure due to an increase in export availability while the global cheese market remained stable.

The FAO Vegetable Oil Price Index was valued at 164.4 points in August 2017, up 4.1 points from July 2017 levels. Lower global production of palm, rapeseed and sunflower oils combined with steady import demand have contributed to this increase. Soy oil prices have also firmed in response to changes in the United States biodiesel import policies. Meanwhile the FAO Sugar Price Index averaged 203.9 points in August 2017, back 3.6 points from July 2017 levels. Good production prospects in the major producing regions combined with weaker international demand have all contributed to this on-going decline.



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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 18/09/17	Next Week 25/09/17
Prime		
U-3	344 - 354p	344 - 354p
R-3	338 - 348p	338 - 348p
O+3	332 - 342p	332 - 342p
P+3	288 - 306p	288 - 306p
Including bonus where applicable		
Cows		
O+3 & better	250 - 270p	250 - 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 16/09/17	Steers	Heifers	Young Bulls
U3	359.3	361.4	354.3
R3	354.3	354.9	350.0
O+3	347.4	348.4	339.8

*Prices exclude AA, HER and Organic cattle

Deadweight Cattle Trade

QUOTES from the major NI processing plants this week held steady with the majority of plants quoting from 350-354p/kg for in spec U-3 grade prime cattle. Quotes for good quality O+3 grade cows have also held steady, ranging from 250-270p/kg across the plants. These quotes should be used as a starting point for negotiation.

Supplies of prime cattle for slaughter in NI have continued to firm with 6,510 head slaughtered in local plants last week. This is notably higher than the 6,155 prime cattle killed locally in the same week last year. Cow throughput in NI last week totalled 2,141 head, the highest weekly throughput since early February this year.

Imports of prime cattle from ROI for direct slaughter in local plants last week totalled 222 head which accounted for three per cent of total plant throughput. Cow imports from ROI for direct slaughter in local plants last week totalled 87 head. Meanwhile imports from GB for direct slaughter consisted of 4 prime cattle and 106 cows. Exports from NI to ROI for direct slaughter consisted of 83 prime cattle and 266 cows while exports to GB for direct slaughter consisted of 126 prime cattle and 36 cows.

The deadweight trade for prime cattle continued to come under pressure in NI last week with the average steer price back by 3.6p/kg to 348.1p/kg. The R3 steer price was back by almost 4p/kg to 357.2p/kg. This is the sixth consecutive week in which the R3 steer price in NI has recorded a decline and this brings it to its lowest recorded level since late April this year. The R3 heifer price was back marginally in NI last week to 351.9p/kg while the R3 heifer price was back by 2.1p/kg to 357.7p/kg. The trade for young bulls followed a similar trend with the average price remaining similar to the previous week while the R3 price was back by 3.8p/kg to 349.4p/kg.

There was a mixed deadweight trade across the GB regions last week however overall the trade held relatively steady. The average steer price in GB last week was up marginally to 374.5p/kg while the R3 steer price was back by half a penny to 383.5p/kg. There was a similar trend in GB heifer prices last week with the average heifer price back marginally to 376.6p/kg and the R3 heifer price back by half a penny to 384.5p/kg. The differential between NI and GB prices has continued to widen with a differential in R3 steer prices last week of 26.3p/kg. This is the equivalent of £92 on a 350kg carcass and is the widest differential recorded since December 2015. Meanwhile the differential in R3 heifer prices between the two regions is 26.8p/kg or £94 on a 350kg carcass.

Deadweight prices for prime cattle in ROI held relatively steady in euro terms last week however a weakening in euro against sterling has resulted in strong declines in prices in the region in sterling terms. The R3 steer price was the equivalent of 335.4p/kg in ROI last week, back 7.4p/kg from the previous week. The R3 heifer price was back by a similar margin to 344.4p/kg while the R3 young bull price was back by 4.7p/kg to 334.2p/kg.

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

W/E 16/09/2017	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	359.8	345.5	397.6	382.5	383.1	383.4	386.7
	R3	357.2	335.4	394.7	377.0	378.3	383.1	383.5
	R4	357.0	335.4	398.2	391.4	379.4	384.0	389.7
	O3	349.2	318.2	373.3	349.3	349.8	358.8	357.6
	AVG	348.1	-	392.4	371.5	365.3	367.0	374.5
Heifers	U3	362.6	356.4	404.3	386.6	390.9	389.0	393.2
	R3	357.7	344.4	394.4	375.6	381.0	384.2	384.5
	R4	358.4	342.9	395.2	380.1	379.1	383.1	384.4
	O3	354.1	330.3	384.2	358.9	354.0	365.8	366.5
	AVG	351.9	-	393.1	373.6	368.4	369.9	376.6
Young Bulls	U3	354.3	342.9	382.9	370.7	371.4	371.0	373.1
	R3	349.4	334.2	380.6	359.5	364.6	374.3	366.7
	O3	330.2	319.8	340.3	321.1	324.5	346.4	328.8
	AVG	340.0	-	368.7	348.4	348.1	351.8	352.4
Prime Cattle Price Reported	5648	-	6214	7459	6866	4722	25261	
Cows	O3	274.7	282.9	291.7	275.5	284.9	290.4	284.6
	O4	277.4	284.5	290.8	277.5	282.0	279.7	281.6
	P2	237.3	255.4	251.2	230.9	238.1	249.1	241.1
	P3	257.1	275.8	262.1	254.7	249.7	266.3	255.5
	AVG	253.0	-	281.4	249.4	246.2	251.5	252.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.61p 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 16/09/17	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	210	228	219	185	209	195
Friesians	152	158	155	132	150	142
Heifers	209	220	216	170	201	185
Beef Cows	150	185	160	120	149	135
Dairy Cows	115	155	123	70	114	92
Store Cattle (p/kg)						
Bullocks up to 400kg	220	255	230	185	219	200
Bullocks 400kg - 500kg	215	248	230	180	214	195
Bullocks over 500kg	205	231	215	175	204	190
Heifers up to 450kg	210	238	223	170	209	190
Heifers over 450kg	210	232	220	165	209	190
Dropped Calves (£/head)						
Continental Bulls	300	420	340	200	298	250
Continental Heifers	240	345	295	140	238	190
Friesian Bulls	130	190	160	80	128	105
Holstein Bulls	85	165	115	42	82	60

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 18/09/17	Next Week 25/09/17
Lambs >21kg	375-385p	370-380p

REPORTED SHEEP PRICES

(P/KG)	W/E 02/09/17	W/E 09/09/17	W/E 16/09/17
NI Lambs L/W	345.2	343.7	338.8
NI Lambs D/W	389.9	381.7	377.7
GB Lambs D/W	423.9	416.5	403.7
ROI D/W	430.0	413.0	400.8

Deadweight Sheep Trade

QUOTES from the local plants for R3 grading lambs ended this week at 370-380p/kg with plants paying up to 21kg. Similar quotes are expected across the plants for early next week. Lamb throughput in NI last week totalled 10,423 head, a decline of 1,305 head from the previous week. Lamb throughput in NI during the corresponding week last year totalled 13,316 head. Exports of lambs to ROI for direct slaughter last week was similar to the previous week at 7,672 head. In the same week last year 6,459 lambs were exported from NI for direct slaughter in ROI plants. The deadweight lamb price in NI last week was back by 4p/kg to 377.7p/kg while in ROI the deadweight price was back the equivalent of 12.2p/kg to 400.8p/kg.

This week's marts

THE trade in the local marts was generally quieter this week with good numbers continuing to pass through the sale rings. In Swatragh last Saturday a good entry of 1,600 lambs sold from 345-406p/kg compared to 1,400 lambs the previous Saturday selling from 355-409p/kg. In Massereene on Monday 1,126 lambs sold from 325-358p/kg compared to 1,326 lambs last week selling from 335-367p/kg. In Rathfriland this week 890 lambs sold to an average of 348p/kg, a similar trade to last week when 1,002 lambs sold to an average of 350p/kg. In Armoy this week 346 lambs sold from 315-375p/kg compared to 474 lambs last week selling from 335-400p/kg. Top reported prices for cull ewes generally ranged from £80-90 with a top reported price of £122 in Swatragh last Saturday.

LATEST SHEEP MARTS

From: 15/09/17		Lambs (P/KG LW)			
To: 21/09/17		No	From	To	Avg
Friday	Newtownstewart	528	300	331	-
Saturday	Omagh	1628	351	414	-
	Swatragh	1600	345	406	-
Monday	Kilrea	520	323	335	-
	Massereene	1126	325	358	-
Tuesday	Saintfield	759	326	368	-
	Rathfriland	890	326	400	348
Wednesday	Ballymena	1901	325	355	331
	Armoy	346	315	375	-

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