LMC

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NO TRADE DEAL COULD SERIOUSLY IMPACT NI RED MEAT SECTOR

A study commissioned by LMC to identify the potential impacts for the NI beef and sheep meat sector if the UK leaves the EU without a trade deal has been launched this week. The report has been produced by farm business consultancy The Andersons Centre, with support from Oxford Economics.

The report gauges the impact on the NI beef and sheep meat industry of moving from EU to World Trade Organization (WTO) trading conditions under two scenarios:
1) "WTO Equivalence" (where the UK and EU impose reciprocal tariffs on each other's imports based on the current EU Common External Tariff) and
2) a unilateral "Open-Door" trade policy whereby the UK reduces its tariffs on imports from major agricultural producers but without any reciprocal agreements in place.

The report's key findings were:
- If the UK adopted a unilateral Open-Door trade policy, Northern Irish beef and sheep meat output would decline by 21%, as exports to the EU could collapse by over 90%.
- Under WTO Equivalence, whilst output could rise marginally in the shortrun (as domestic consumption displacs EU imports) gains would be eroded by declining consumption in the longer-term due to higher prices, and exports to the EU would still fall by over 90%.

The report also found that:
- Tariffs for meat sales are substantial, ranging from 40% to around 100%.
- Non-Tariff Barriers (NTBs) are estimated to amount to a 3% tariff equivalent under WTO Equivalence and 5.7% under an Open-Door trade policy.
- Farm profits decline in both scenarios particularly when combined with reductions in farm subsidies.

The report concludes that if an Open-Door trade policy was adopted, the viability of beef and sheep farming across NI would be seriously threatened, with grave consequences for the wider rural economy. With this in mind the report makes six recommendations for policy-makers which are outlined in Table 1.

Table 1: Recommendations for policy makers from LMC report

1	Agree interim Single Market (EEA) and Customs Union membership for at least 5 years post-Brexit to negotiate the finer details of the eventual deal and develop the required infrastructure, with a mid-way review to examine whether enough progress has been made (e.g. technology to facilitate frictionless cross-border trade) to affect timeframes.
2	Set up an Agri-food Workers' Scheme to permit continued access to labour for Northern Ireland processors, coupled with incentives for locally-based staff.
3	Bolster efforts to get Northern Irish products approved for sale in non-EU countries, including gaining mutual recognition of veterinary standards.
4	Formulate a long-term strategy for food and farming.
5	Ensure that food imports meet the same rigorous standards as domestic produce.
6	Adopt EU Official Controls of animals and meat products at slaughter houses, meat plants and collection centres for live cattle within the UK and Republic of Ireland to permit frictionless cross-border trade.

Other recommendations if WTO trading comes to pass include setting bilateral Tariff Rate Quotas to mirror historic trade flows between the UK, EU-27 and non-EU countries, as well as working to ensure NI beef and sheep meat exporters capture more of the domestic UK market. Copies of the full report can be accessed on the LMC website www.lmcni.com or are available upon request from 028 9263 3000

NI COW THROUGHPUT REMAINS STRONG

A total of 2,618 cows were slaughtered in NI plants last week taking total cow throughput for 2017 to date to 69,426 head. This is a six per cent increase from the corresponding period in 2016 when 65,702 cows were slaughtered in local plants.

Cows continue to provide a valuable source of throughput for NI beef processors with cows accounting for 22 per cent of total cattle throughput during 2017 to date. This proportion is unchanged from the same period in 2016.

The increase in cow throughput in local plants during 2017 has occurred despite no significant change in the number of cows on NI farms. The preliminary results of the NI census indicated some stability in both suckler and dairy cow numbers with numbers back marginally in both sectors. There were 315,800 dairy cows on NI farms in June 2017 while there were 267,100 suckler cows.

Prolonged periods of rain during August and September 2017 have impacted grazing conditions on both beef and dairy farms across NI and as a result many producers have opted to house stock early. With the wet weather also impacting silage stocks on NI farms it is likely that some of the increase in cow throughput in recent weeks has been driven by producers culling less productive stock in preparation for the winter ahead.

While a higher culling rate may have contributed to increased cow throughput in local plants the higher throughput will also have been impacted by the decline in the number of cows being exported out of NI for direct slaughter. During 2017 to date 4,464 cows have been exported to ROI for direct slaughter while 442 cows have been exported to GB. In the same period in 2016 7,544 cows were exported to ROI for direct slaughter and 688 cows to GB. This accounts for a decline of 3,326 head or a 40 per cent decline in the number of cows exported out of NI for direct slaughter year on year.

While the level of cow exports has decreased the level of cow imports for slaughter in local plants has recorded an increase. A total of 2,595 cows have been imported from ROI during 2017 to date and a further 4,465 cows from GB. In the same period last year 1,622 cows were imported from ROI and 2,126 cows from GB. This accounts for an 88 per cent increase in imports for direct slaughter year on year.

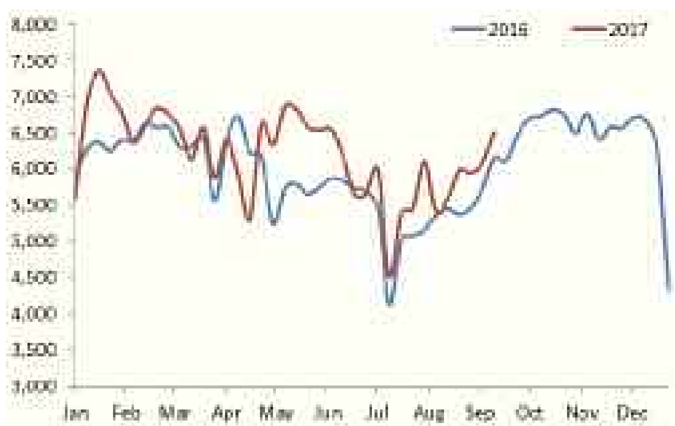
Cows imported for direct slaughter accounted for ten per cent of total cow throughput in NI plants during 2017 to date, an increase from six per cent in the corresponding period in 2016.

The deadweight cow trade has remained firm across the NI plants in recent weeks with an O3 cow price last week of 275.1p/kg. This is an increase of 22.5p/kg from the same week last year when it was 252.6p/kg. Meanwhile the P2 cow price in NI last week was 234.7p/kg, up 23.7p/kg from the same week last year when it was 211p/kg.

Analysis of price reporting data has indicated an increase in the proportion of suckler origin cows in the NI slaughter mix. During 2017 to date 41 per cent of cows have been of suckler origin with the remaining 59 per cent classified as dairy. In the same period last year 38 per cent of cows were sucklers while 62 were dairy cows. Despite this increase in the proportion of suckler cows in the slaughter mix the average carcase weight recorded a decline.

The average cow carcase weight in NI during 2017 to date was 299kg, back 6kg from the same period in 2016. However this decrease in the average carcase weight has been more than offset by the increase in cow throughput and as a result there has been a four per cent increase in the volume of cow beef handled by local processors during 2017 to date.

Figure 1: Weekly cow throughput in NI plants January 2016 to September 2017



FQAS MART CLINICS OCTOBER 2017

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to or following an inspection.

Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic. Terry will be available at the livestock marts listed above. For further information call (028) 9263 3024.

LOCATION	DAY	DATE
Saintfield	Wednesady	04/10/2017
Omagh	Monday	09/10/2017
Markethill	Tuesday	10/10/2017
Enniskillen	Thursday	19/10/2017
Kilrea	Wednesday	25/10/2017
Ballymena	Friday	27/10/2017

BVD PI REMOVAL INCENTIVISATION SCHEME

This scheme is now closed. To be eligible for payment the death of the BVD positive 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 by the 14 October 2017.

LMC

FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:
028 9263 3024

Answerphone Service
Factory Quotes &
Mart Results
Updated 5pm Daily

Tel: 028 9263 3011

Text Service
Free Price Quotes sent to your mobile phone weekly

Email - bulletin@lmcni.com
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 25/09/17	Next Week 02/10/17
Prime		
U-3	344 - 354p	348 - 354p
R-3	338 - 348p	342 - 348p
O+3	332 - 342p	336 - 342p
P+3	288 - 306p	292 - 306p
	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 23/09/17	Steers	Heifers	Young Bulls
U3	357.1	361.7	349.3
R3	353.0	354.4	348.6
O+3	346.3	346.6	340.8

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 23/09/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	176.8	188.7	200.6	216.3
P2	196.0	216.5	235.8	244.5
P3	209.1	234.8	256.7	258.8
O3	214.7	241.3	272.7	276.3
O4	170.0	-	274.1	281.4
R3	-	-	-	296.7

Deadweight Cattle Trade

QUOTES from the major processing plants for in-spec U-3 grade prime cattle have held relatively steady this week although there has been some readjustment of quoted prices at the lower end of the range. The majority of plants are quoting 350p/kg for steers and 350-352p/kg for heifers. The cow trade has also held steady with quotes for good quality O+3 grading cows ranging from 260-280p/kg across the plants.

The plants have reported good supplies of all types of cattle coming forward to meet demand for beef. Prime cattle throughput in NI plants last week was similar to the previous week at 6,529 head. It was however higher than the same week last year when 6,108 prime cattle were killed in local plants. Cow throughput in NI plants last week increased strongly to 2,618 head and was the highest weekly throughput recorded since November 2016.

Imports of prime cattle from ROI for direct slaughter last week totalled 80 head, a notable decrease from 222 head the previous week. Meanwhile cow imports from ROI totalled 38 head last week, back from 87 head the previous week. A further six prime cattle and 127 cows were imported from GB last week for direct slaughter. A total of 17 prime cattle and 205 cows were exported from NI for slaughter in ROI plants last week, back from 83 prime cattle and 266 cows the previous week. A further 52 prime cattle and 40 cows were exported from NI for slaughter in plants in GB.

The average steer price in NI last week was back almost a penny to 347.2p/kg while the R3 steer price was back by half a penny to 356.8p/kg. The average heifer price in NI last week increased by half a penny to 352.5p/kg while the R3 heifer price was back by 1.5p/kg to 356.2p/kg. In the corresponding week last year the R3 steer and heifer prices in NI were 343.6p/kg and 340.8p/kg respectively. The young bull trade in NI was also back last week with an average price of 339.3p/kg (-0.7p/kg). Meanwhile the average cow price was back by 1.6p/kg to 251.4p/kg.

In GB last week the average steer price was back by almost a penny to 373.7p/kg while the R3 steer price was up marginally to 383.8p/kg. There was however some variance across the regions with R3 steer prices increasing in Northern England and the Midlands and coming back in Scotland and Southern England. The average heifer price in GB last week was back 1.3p/kg to 375.3p/kg while the R3 heifer price was back by a similar margin to 383.4p/kg. The differential in deadweight prices between NI and GB has continued to widen with R3 steer and heifer prices in GB 27p/kg and 27.2p/kg higher than the equivalent prices in NI last week.

Sterling gained against the euro last week and as a result deadweight cattle prices in ROI recorded notable declines in sterling terms. The R3 steer price in ROI was back 4.3p/kg to 331.1p/kg last week while the R3 heifer price was back by a similar margin to 340.4p/kg. Prime cattle supplies remain strong in ROI with throughput in the plants running six per cent ahead of 2016 levels for the year to date.

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

W/E 23/09/2017		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	357.7	341.1	397.6	382.4	380.5	386.4	386.3
	R3	356.8	331.1	395.4	382.8	380.6	376.3	383.8
	R4	357.5	330.6	397.0	390.5	375.8	375.4	387.0
	O3	348.5	313.2	373.2	352.0	347.6	349.4	355.8
	AVG	347.2	-	392.3	372.9	364.3	362.3	373.7
Heifers	U3	362.9	350.9	405.2	386.5	391.6	387.9	393.4
	R3	356.2	340.4	397.8	373.0	380.9	376.5	383.4
	R4	357.8	338.1	397.7	380.1	379.0	377.1	384.0
	O3	353.0	325.7	383.4	355.0	354.4	359.5	363.6
	AVG	352.5	-	395.3	370.5	367.2	365.5	375.3
Young Bulls	U3	349.3	339.4	388.9	373.5	373.9	374.4	376.5
	R3	348.5	330.1	378.8	366.6	362.3	369.3	367.3
	O3	333.4	312.2	345.0	326.7	328.5	334.7	331.5
	AVG	339.3	-	369.1	351.1	349.5	338.3	352.0
Prime Cattle Price Reported		5906	-	6415	7352	6890	4715	25372
Cows	O3	275.1	280.2	291.4	273.8	284.7	286.8	283.6
	O4	280.9	281.3	293.0	274.8	283.7	278.9	282.1
	P2	234.7	260.2	250.6	237.6	235.7	242.6	239.5
	P3	256.8	272.8	260.8	251.3	246.4	265.0	252.1
	AVG	251.4	-	279.0	247.2	248.6	243.7	250.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.39p 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 23/09/17	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	205	215	210	180	204	190
Friesians	146	158	151	125	145	135
Heifers	202	215	208	169	194	180
Beef Cows	145	180	155	115	144	130
Dairy Cows	108	126	112	60	107	85
Store Cattle (p/kg)						
Bullocks up to 400kg	225	263	235	190	224	205
Bullocks 400kg - 500kg	210	236	225	175	209	192
Bullocks over 500kg	200	217	208	170	199	185
Heifers up to 450kg	210	236	220	165	209	188
Heifers over 450kg	205	224	215	160	204	185
Dropped Calves (£/head)						
Continental Bulls	310	465	340	200	308	250
Continental Heifers	260	380	290	150	258	200
Friesian Bulls	150	230	185	100	148	120
Holstein Bulls	90	175	130	5	88	55

SHEEP TRADE

SHEEP BASE QUOTES		
(P/Kg DW)	This Week 25/09/17	Next Week 02/10/17
Lambs >21kg	370-380p	370-375p

REPORTED SHEEP PRICES			
(P/KG)	W/E 09/09/17	W/E 16/09/17	W/E 23/09/17
NI Lambs L/W	343.7	338.8	334.3
NI Lambs D/W	381.7	377.7	370.5
GB Lambs D/W	416.5	403.7	386.9
ROI D/W	413.0	400.8	391.6

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grading lambs ranged from 370-380p/kg up to 21kg with 370-375p/kg expected for early next week. The plants are reporting steady supplies of lambs to meet demand with 10,548 lambs killed locally last week. This was similar to previous weeks but notably higher than the 9,554 killed in local plants the same week last year. Exports to ROI for direct slaughter last week totalled 7,340 and accounted for 41 per cent of total lamb output from NI. Lamb throughput in ROI remained strong last week with 49,986 lambs passing through the plants. The deadweight lamb price in NI last week was back 7p/kg to 370.5p/kg.

This week's marts

GOOD numbers passed through many of the marts this week with a similar trade reported for good quality lambs. In Swatragh last Saturday a good entry of 1,400 lambs sold from 333-403p/kg compared to 1,600 lambs the previous week selling from 345-406p/kg. In Kilrea on Monday a slighter sharper trade saw 500 lambs sold from 330-344p/kg compared to 520 lambs last week selling from 323-335p/kg. In Saintfield this week a similar trade to the previous week saw 703 lambs sold from 320-369p/kg. A good entry of 2,204 lambs in Ballymena this week sold from 300-353p/kg (avg 323p/kg) compared to 1,901 lambs last week selling from 325-355p/kg. Top reported prices for cull ewes generally ranged from £70-90 across the marts with a top reported price of £118 in Omagh last Saturday.

LATEST SHEEP MARTS					
From: 22/09/17		Lambs (P/KG LW)			
To: 28/09/17		No	From	To	Avg
Friday	Newtownstewart	295	320	333	-
Saturday	Omagh	1238	346	424	-
	Swatragh	1400	333	403	-
Monday	Kilrea	500	330	344	-
	Massereene	1064	330	362	-
Tuesday	Saintfield	703	320	369	-
	Rathfriland	800	322	400	346
Wednesday	Ballymena	2204	300	353	323
	Enniskillen	382	332	362	-
	Markethill	1100	325	358	-
	Armoy	364	325	370	-

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