

## NI BEEF INDUSTRY SNAPSHOT OCTOBER 2017

THE average prime cattle price in NI during October 2017 was 347.3p/kg compared to 331p/kg during October 2016. This accounts for a 4.9 per cent increase year on year. The R3 steer price increased by a similar proportion to 357.5p/kg during October 2017.

During October 2017 the R3 steer price in ROI was the equivalent of 329.6p/kg which is a 1.9 per cent increase from October 2016 levels. The differential in R3 steer prices between NI and ROI has widened from 17p/kg in October 2016 to 27.9p/kg in October 2017. This puts the differential between the regions during October 2017 at £98 for a 350kg R3 grading steer carcass.

The average R3 steer price in GB during October 2017 was 374.1p/kg, up 12.9p/kg from October 2016 levels when the R3 steer price was 361.2p/kg. The differential in R3 steer prices between the UK and NI was 20.6p/kg during October 2016 and this narrowed to 16.6 p/kg in October 2017. This puts the differential in the value of a 350kg R3 grading steer carcass at £58 during October 2017.

There has been a strong uplift in the deadweight cow trade in NI with an average price of 249.2p/kg during October 2017. This was a 10.6 per cent increase from October 2016 levels when the average cow price was 225.4p/kg.

There has been an increase in cattle throughput in NI with 27,797 prime cattle and 10,122 cows killed in local plants during October 2017. This compares to 27,015 prime cattle and 9,867 cows killed in local plants during October 2016. This equates to a 2.9 per cent increase in prime cattle throughput and a 2.6 per cent increase in cow throughput during October 2017.

The average carcass weight of prime cattle was unchanged at 337kg during October 2017 when compared to year earlier levels as outlined in Table 1. Meanwhile the average cow carcass weight increased by 3kg to 292kg during October 2017. A slight increase in the proportion of suckler origin cows in the slaughter mix will have contributed to this trend.

There was a strong increase in live imports for direct slaughter during

October 2017 with 1,072 cattle imported. This compares to 307 head during October 2016. The increase in imports has largely been due to an increase in the number of cows being imported from GB for direct slaughter in local plants.

During October 2017 there were 400,313 beef sired cattle on NI farms aged from 12-30 months. This is a 5.2 per cent increase from year earlier levels when there were 380,386 beef cattle in this age category on NI farms. Meanwhile there has been a notable 10.7 per cent decline in the number of dairy sired male cattle aged 12-30 months on NI farms between October 2016 and October 2017.

During October 2017 there were 18,961 beef sired calves registered on NI farms, almost unchanged from year earlier levels. Meanwhile the number of dairy sired male calves registered recorded a three per cent increase to total 9,445 head during October 2017.

During October 2017 the euro was trading at €1 = 0.8907, a marginal decrease from €1 = 0.8939 in October 2016.

Table 1: NI Beef Industry Key Performance Indicators (October Snapshot)

	Oct-16	Oct-17	% Change
<b>Finished Cattle Prices (p/kg)</b>			
Average Prime Cattle Price	331.0	347.3	4.9%
Average Cow Price	225.4	249.2	10.6%
Average R3 Steer Price (NI)	340.6	357.5	5.0%
Average R3 Steer Price (ROI)	323.6	329.6	1.9%
Average R3 Steer Price (GB)	361.2	374.1	3.6%
<b>Slaughtering</b>			
Total Clean Slaughtering (Head)	27,015	27,797	2.9%
Total Cow Slaughtering (Head)	9,867	10,122	2.6%
Average Clean Carcass Weight (kg)	337	337	0.1%
Average Cow Carcass Weight (kg)	289	292	1.0%
<b>Trade (Head)</b>			
Live Imports for Direct Slaughter	307	1,072	249.2%
Live Exports for Direct Slaughter	1,512	1,636	8.2%
<b>Availability (Head)</b>			
No. Cattle on the Ground*	424,162	439,397	3.6%
Beef Sired	380,386	400,313	5.2%
Dairy Sired (Male Only)	43,776	39,084	-10.7%
<b>Calf Births Registrations (Head)</b>			
Calf Births	28,102	28,406	1.1%
Beef Sired	18,932	18,961	0.2%
Dairy Sired (Male Only)	9,170	9,445	3.0%
<b>Euro / Stg Exchange Rate (€ / £)</b>	89.39	89.07	-0.4%

\* Aged between 12-30 mths (Beef + Dairy Males)

All NI Figures Unless Otherwise Stated

# GROWING POPULATION AND MORE DISPOSABLE INCOME TO DRIVE INCREASED GLOBAL MEAT DEMAND

In the latest Long Term Outlook report published by Gira continued growth in global demand for meat has been forecast. This increase will be driven by continued growth in the global population combined with higher levels of disposable income.

Much of the increased demand for meat is expected to come from developing markets in Asia and Africa where current levels of meat consumption are very low. By contrast developed markets are expected to see a slowing in consumption growth, and in some cases a decline, as consumers focus more on the quality of the meat they consume rather than quantity.

In addition concerns around animal welfare, environmental protection, climate change and health are all seen as detrimental to meat consumption in developed countries in the longer term.

The global population reached 7.35 billion in 2015 which is an increase of 1 billion people since 2003. World population growth is currently at 1.2 per cent per annum however this growth has shown signs of slowing down with the population expected to grow by 1

per cent per annum until 2030. This will take the global population to 8.59 billion people.

Asia has been the biggest driver behind this population growth, with China and India accounting for 18.7 per cent and 17.8 per cent of the global population respectively in 2015. The USA is the third largest single population and has been consistently growing at 0.8 per cent per annum since 2010. This trend is forecast to continue which will drive growth in consumer demand for meat in the US.

Developing markets such as Indonesia, (the fourth largest population in the world at 264 million head) exhibit some of the highest population growth rates in the world. A number of other Asian countries are also showing high population growth rates, in particular Bangladesh, Pakistan, the Philippines and Vietnam. The emerging markets in sub-Saharan Africa have also been a major growth area despite high mortality rates.

It should also be noted however that population forecasts are negative in the long term for 33 countries worldwide.

These include Russia and Japan along with several EU countries. The population of the EU however is expected to increase overall, albeit at a low rate, due to population growth in the eastern states.

Traditionally population growth has driven increases in meat demand however rises in disposable incomes have become an increasingly important factor as outlined in Figure 1. Three key groups have been identified as contributors to the forecast increase in per capita meat consumption.

At a global level the combination of delayed retirement age and reduced mortality will increase the number of people in the working age population bracket (15-64). More older people in the work force who have delayed retirement will increase levels of disposable income in this age bracket and this is expected to have a key role to play in increasing global demand for meat.

The working population (aged 15-64) in China is expected to grow by 20 per cent by 2030 which will add 100 million consumers to this group. The average

expenditure per capita on meat in China is expected to double from 2015 to 2030 with an increased emphasis on premium brands which are perceived to be superior quality.

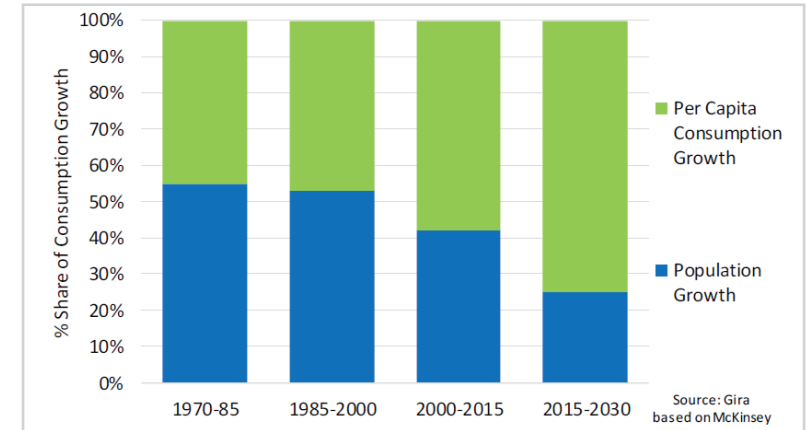
The third group with a key role to play is the growing number of working class consumers (15-64 years) in North America. This group is better educated and more ethnically diverse than previous generations in the USA. Diversification of product categories will be particularly important in this region,

especially in the growing cities.

Other notable groups which are expected to contribute to growing global demand for meat include China's growing population of people aged over 64, Latin America's working class and Asia's working class (particularly South East Asia).

*GIRA is a strategic consultancy and market research firm founded over 40 years ago that specialises in all stages of the worldwide food and drink chain.*

**Figure 1: Sources of Global Consumption Growth (total value of consumer goods) 1970-2030**



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# WEEKLY BEEF & LAMB MARKETS



## CATTLE TRADE

### NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 06/11/17	Next Week 13/11/17
<b>Prime</b>		
U-3	350 - 354p	350 - 354p
R-3	344 - 348p	344 - 348p
O+3	338 - 342p	338 - 342p
P+3	288 - 306p	288 - 306p
	Including bonus where applicable	
<b>Cows</b>		
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 04/11/17	Steers	Heifers	Young Bulls
U3	358.1	361.3	349.2
R3	354.6	355.3	345.2
O+3	346.8	347.5	339.2

\*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

W/E 04/11/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	177.0	186.6	199.1	210.2
P2	190.4	215.3	234.0	245.9
P3	195.9	242.2	253.0	256.0
O3	197.1	243.7	262.6	272.7
O4	166.0	-	268.6	275.5
R3	-	-	-	293.7

## Deadweight Cattle Trade

THE deadweight cattle trade has continued to hold steady in NI with base quotes from the plants of 350-354p/kg for in spec U-3 grade steers and heifers this week. The cow trade has also held steady with quotes for good quality O+3 grade cows ranging from 260-280p/kg. Similar quotes for all types of cattle are expected early next week.

Prime cattle throughput in local plants totalled 6,866 head last week, back 72 head from the previous week. In the corresponding week last year 6,501 prime cattle were slaughtered in NI plants. Cow throughput in local plants last week totalled 2,850 head. This was an increase of 143 head from the previous week and is the highest weekly throughput of cows in NI during 2017 to date.

Imports from ROI for direct slaughter last week included 152 prime cattle and 31 cows. This was an increase from 68 prime cattle and 25 cows imported during the previous week. Meanwhile exports from NI for direct slaughter in ROI last week included 44 prime cattle, 179 cows and 22 bulls. There were 46 prime cattle exported from NI to GB last week for direct slaughter, the lowest level of export since mid-August this year. Cow exports from NI to GB totalled 26 head last week while 192 cows made the journey from GB to NI for direct slaughter. A further 16 prime cattle were also exported from GB for slaughter in NI plants last week.

The deadweight trade for prime cattle held relatively steady in NI last week with the majority of price reported grades within a penny of the previous week. The average steer price last week was back a penny to 346.8p/kg while the R3 steer price was up marginally to 357.5p/kg. The average heifer price in NI last week was back by a penny to 350.2p/kg while the average heifer price was back by the same margin to 357.2p/kg. The average young bull price in NI increased by 2.4p/kg to 337.6p/kg however the U3 and R3 young bull prices were back by 0.9p/kg and 2.6p/kg respectively.

In GB last week the deadweight trade for steers and heifers held relatively steady. The average steer price was up by a penny to 361p/kg in GB last week while the R3 steer price was up by a similar margin to 372p/kg. There was however some variance between the regions with the R3 steer price increasing in Scotland (+1.7p/kg) and the Midlands (+3.4p/kg) while it recorded a decline in Northern England (-0.8p/kg) and Southern England (-2.7p/kg). The R3 heifer price in GB last week was up marginally to 371.7p/kg however there was also a variance across the regions. The R3 heifer price was unchanged in Scotland, increased in the Midlands (+3.9p/kg) while it came back in Northern England (-2.4p/kg) and Southern England (-1.8p/kg).

In ROI last week deadweight prices generally held steady in euro terms however a weakening euro meant prices were back in sterling terms. The R3 steer price last week was the equivalent of 324.9p/kg, back 2.2p/kg from the previous week. The R3 heifer price was back by a similar margin to 335.6p/kg.

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

W/E 04/11/2017	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	358.6	335.8	383.3	372.1	372.4	375.3
	R3	357.5	324.9	382.1	367.3	370.4	372.0
	R4	356.3	324.1	381.2	381.8	370.3	367.9
	O3	348.1	308.4	358.8	337.8	339.3	343.1
	AVG	346.8	-	377.2	359.0	355.2	361.0
Heifers	U3	361.6	348.2	391.0	378.4	383.3	383.2
	R3	357.2	335.6	381.0	365.0	372.8	371.7
	R4	355.5	335.2	380.5	372.1	370.0	372.6
	O3	352.2	322.6	357.6	338.9	343.8	345.0
	AVG	350.2	-	377.6	359.5	357.0	361.7
Young Bulls	U3	349.3	335.5	374.7	366.2	359.5	365.2
	R3	344.3	325.1	369.4	357.2	354.6	358.6
	O3	336.0	310.2	334.0	307.8	318.7	318.7
	AVG	337.6	-	351.8	331.4	325.4	333.0
Prime Cattle Price Reported	6131	-	6430	7564	6888	4380	25262
Cows	O3	270.6	275.4	268.2	259.4	267.9	263.8
	O4	274.8	276.2	271.5	260.8	268.3	264.4
	P2	235.4	246.4	220.3	219.1	222.9	221.3
	P3	254.2	265.1	233.0	234.5	232.9	234.3
	AVG	249.6	-	257.5	229.3	229.3	231.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.17p 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 04/11/17	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
<b>Finished Cattle (p/kg)</b>						
Steers	208	221	213	180	206	190
Friesians	121	128	125	106	120	115
Heifers	203	219	214	165	201	179
Beef Cows	151	199	160	120	150	135
Dairy Cows	110	123	114	65	106	85
<b>Store Cattle (p/kg)</b>						
Bullocks up to 400kg	220	241	230	180	218	200
Bullocks 400kg - 500kg	205	223	212	180	211	195
Bullocks over 500kg	190	209	200	165	189	178
Heifers up to 450kg	200	222	210	165	199	180
Heifers over 450kg	190	209	198	160	189	175
<b>Dropped Calves (£/head)</b>						
Continental Bulls	280	380	320	160	278	220
Continental Heifers	250	375	295	140	248	192
Friesian Bulls	120	200	150	60	118	84
Holstein Bulls	70	120	85	5	68	40

# SHEEP TRADE

## SHEEP BASE QUOTES

(P/Kg DW)	This Week 06/11/17	Next Week 13/11/17
Lambs	370-380p > 21kg	375p > 21kg 375-380p > 22kg

## REPORTED SHEEP PRICES

(P/KG)	W/E 21/10/17	W/E 28/10/17	W/E 04/11/17
NI Lambs L/W	336.4	336.8	340.5
NI Lambs D/W	356.6	363.7	368.6
GB Lambs D/W	386.4	385.4	385.6
ROI D/W	385.7	390.2	390.2

## Deadweight Sheep Trade

**T**HE deadweight sheep trade in NI has held steady this week with plants quoting from 370-380p/kg for R3 grading lambs up to 21kg. Two of the major plants are quoting 375-380p/kg for R3 grading lambs up to 22kg for early next week while the other is quoting 375p/kg to 21kg. There were 9,073 lambs killed in local plants last week, back 971 head from the previous week. In the corresponding week last year there were 9,932 lambs killed in local plants. There was also a reduction in the number of lambs exported to ROI for direct slaughter last week. Exports for direct slaughter totalled 6,774 head, back 1,443 head from the previous week. The deadweight lamb price in NI last week increased by 4.9p/kg to 368.6p/kg.

## This week's marts

**M**ANY of the marts recorded an increase in the number of lambs passing through the sale rings this week with a steady trade reported for good quality lambs. In Massereene on Monday a similar trade to the previous week saw 963 lambs sold from 330-360p/kg. In Kilrea there was a slightly sharper trade this week with 300 lambs selling from 338-376p/kg compared to 420 lambs last week selling from 336-345p/kg. In Ballymena this week a large entry of 2,205 lambs sold from 320-361p/kg (avg 337p/kg) compared to 2,088 lambs last week selling from 319-357p/kg (avg 332p/kg). In Armoyn this week 312 lambs sold from 330-375p/kg, an improved trade from last week when 370 lambs sold from 320-365p/kg. In Markethill this week a similar trade to last week saw 1,150 lambs sold from 330-371p/kg.

## LATEST SHEEP MARTS

From: 03/11/17		Lambs (P/KG LW)			
To: 09/11/17		No	From	To	Avg
Friday	Newtownstewart	342	324	367	-
Saturday	Omagh	1252	355	409	-
	Swatragh	777	307	366	-
Monday	Kilrea	300	338	376	-
	Massereene	963	330	360	-
Tuesday	Saintfield	547	324	385	-
	Rathfriland	796	310	380	346
Wednesday	Ballymena	2205	320	361	337
	Enniskillen	408	332	368	-
	Markethill	1150	330	371	-
	Armoyn	312	330	375	-

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