

## BREED SELECTION RESPONDS TO MARKET SIGNALS

**B**ONUS schemes in operation across the major processing plants in NI for traditional breeds such as Aberdeen Angus and Hereford have encouraged a notable increase in the use of AA and Hereford bulls in both the dairy and suckler herds in recent years. The processors have reported an increase in demand for beef from these traditional breeds to fulfil premium orders for major retailers and the food service sector. Figures released by Kantar Worldpanel in December 2016 showed that sales of supermarket premium ranges in the UK had risen sharply in the 12 weeks to 4 December with shoppers spending 13 per cent more on premium lines compared to year earlier levels.

During 2016 a total of 69,334 Aberdeen Angus calves were registered in NI, a 19 per cent increase from year earlier levels when 58,425 Aberdeen Angus calves were registered on NI farms. The number of AA calves registered has steadily been increasing since 2012 when there were 49,178 AA calf registrations in NI. This accounts for

a 41 per cent increase over the five year period. AA calves accounted for 19 per cent of all beef sired calf registrations in NI during 2016 compared to 15 per cent in 2012.

Meanwhile the number of Hereford sired calves has also recorded an increase in NI with a total of 28,310 calves registered during 2016. This was a 24 per cent increase from the 22,841 head registered in 2015 and more than double the 12,010 Hereford calves registered in NI during 2012. Hereford calves accounted for 8 per cent of total beef sired calves in 2016, an increase from 4 per cent in 2012.

The popularity of these breeds has been driven in part by the availability of bonuses for these cattle at point of slaughter. The current value of the available bonuses varies from plant to plant and from scheme to scheme with bonuses of up to 40p/kg over the average English and Welsh price available for eligible Aberdeen Angus cattle in some schemes. Bonuses of up to 35p/kg are available on other

Aberdeen Angus and Hereford schemes.

A key aspect of the criteria for both the Aberdeen Angus and Hereford bonuses is that the animal must be sired by a registered pedigree bull. The relevant breed societies have reported an increased interest from both the suckler and dairy industries due to the incentives of these bonus payments. In recent years there has been a notable increase in the number of AA and Hereford calves registered to dairy cows in NI as outlined in Figure 1. A weaker dairy market has decreased the demand for replacement heifers for the dairy herd so there has been an increase in the use of beef bulls in the dairy herd to maximise the value of the calf produced. AA and Hereford bulls provide the added benefit of shorter average gestations and smaller calf birth weights which are also of benefit to the dairy farmer.

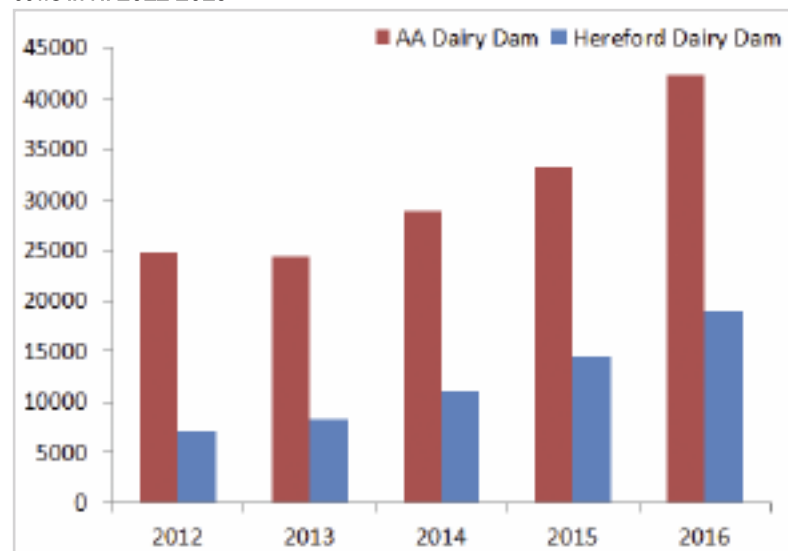
During 2016 42,310 AA calves were registered to a dairy dam, accounting for 61 per cent of all AA calf registrations. Meanwhile 19,024 Hereford calves were registered to dairy dams during 2016, accounting for 67 per cent of all Hereford calf registrations.

Figure 2 outlines the average price paid per kg for O+3 grade price reported steers from January 2016 to January 2017. The red line represents the average price paid for Aberdeen Angus O+3 steers, the green line represents the average price paid for Hereford O+3 steers and the blue line represents the average price paid for O+3 steers of all other breeds (non premium). Organic cattle have been removed for the purposes of analysis as these attract significant bonuses and can skew the data.

The price paid per kilogram for O+3 Aberdeen Angus steers has been notably higher than the price paid for non premium cattle over the period in question as indicated in Figure 2. The average price paid for O+3 Aberdeen Angus steers during 2016 was 340p/kg, 21.6p/kg higher than the 318.4p/kg paid for non premium steers. It is worth noting that this differential is an average for O+3 steers and that a range of bonuses up to 40p/kg are available for Aberdeen Angus cattle. This particular bonus is not price reported since it is paid retrospectively so is not included in this analysis.

The price paid for O+3 Hereford steers was also higher than the price paid for non premium cattle during 2016. As

Figure 1: Number of Aberdeen Angus and Hereford calves registered to dairy cows in NI 2012-2016



with the Aberdeen Angus price it is worth noting that this differential is an average for O+3 steers and that a range of bonuses up to 35p/kg are available for Hereford cattle.

The major NI processors currently have in place a series of bonuses and penalties in an attempt to encourage producers to produce cattle within a desired specification but the application of these bonuses and penalties has been variable and has been closely linked to the supply of cattle.

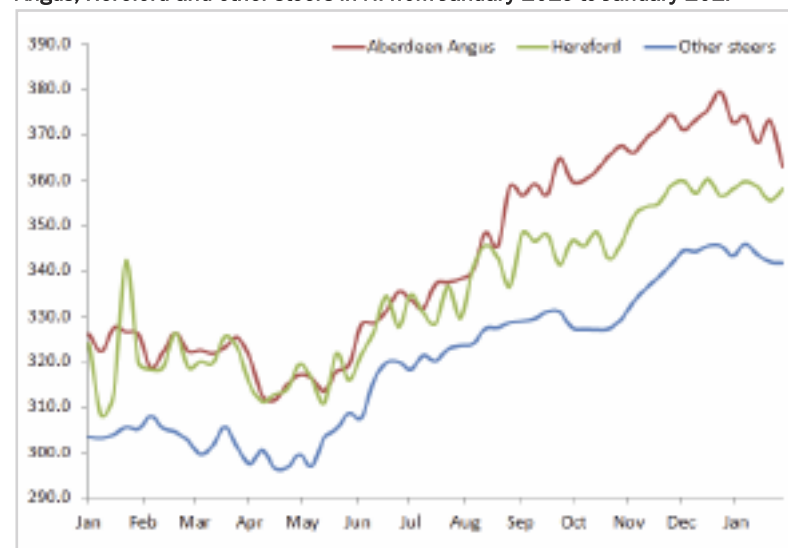
The average carcass weight of non premium O+3 steers during 2016 was 339.3kg, the average O+3 Aberdeen Angus carcass weight was 324.5kg and the average Hereford O+3 carcass weight was 331.9kg. Aberdeen Angus and Hereford cattle by their genetic nature will produce lighter carcass weights which are more likely to meet the current desired specification of the

plants for weight, if not for grade. At present the prime kill in NI is dominated by heavier continental bred cattle which in many cases produce carcasses outside specification.

It is worth noting however that the production of these traditional breeds such as Hereford and Aberdeen Angus with lower carcass weights is at present a niche market and will not suit all producers or production systems. There are strong markets in place for better conformed continental bred animals provided that they meet the current requirements of the 'golden box'. A key requirement of this is that carcasses should be within 280-380kg.

For further information on producing Aberdeen Angus or Hereford prime cattle producers should contact the procurement teams of the relevant processors, the relevant breed societies or the scheme operators.

Figure 2: Average prices paid per kg for O+3 grade price reported Aberdeen Angus, Hereford and other steers in NI from January 2016 to January 2017



## Stop & Think

### Farm Family Key Skills Health & Safety Training

- 🕒 Farm Health & Safety Workshop
- 📍 Delivered 'on-farm'
- 🆓 Free to Farmers, Farm Families and Employees
- 📚 Topics include Slurry, Animals, Falls & Equipment
- 🛠️ Overview of the Making it Safer Tool

Register online [www.cafre.ac.uk/industry-support](http://www.cafre.ac.uk/industry-support) or for further information please contact the Farm Family Health & Safety team on Tel: 028 867 66980

**UPCOMING DATES: (ALL WORKSHOPS START AT 7PM)**

Thursday 23 <sup>rd</sup> February 2017, Swatragh	Tuesday 7 <sup>th</sup> March 2017, Castlewellan
Tuesday 28 <sup>th</sup> February 2017, Greyabbey	Tuesday 14 <sup>th</sup> March 2017, Eglinton
Wednesday 1 <sup>st</sup> March 2017, Usburn	Friday 31 <sup>st</sup> March 2017, Omagh
Thursday 2 <sup>nd</sup> March 2017, Ballycastle	

Off-farm workshops also taking place in Droghda on 8th March and Dromore (Co. Down) and Tabernmore on 30th March

# WEEKLY BEEF & LAMB MARKETS



## CATTLE TRADE

### NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 13/02/17	Next Week 20/02/17
<b>Prime</b>		
U-3	340 - 346p	340 - 346p
R-3	334 - 340p	334 - 340p
O+3	328 - 334p	328 - 334p
P+3	274 - 294p	274 - 294p
Including bonus where applicable		
<b>Cows</b>		
O+3 & better	240 - 250p	240 - 250p
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.

## Deadweight Cattle Trade

**T**HE deadweight cattle trade remained relatively steady this week with base quotes from the major NI plants for in spec U-3 grade prime cattle ranging from 340-346p/kg. The trade for good quality O+3 grade cows also remained steady at 240-250p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

A total of 6,363 prime cattle were slaughtered in NI plants last week, a reduction of 412 head from the 6,775 prime cattle killed the previous week. This is very similar to the corresponding week in 2016 when a total of 6,383 prime cattle were killed in NI plants. Meanwhile a total of 2,001 cows were slaughtered in NI last week, a decrease of 165 head from the previous week and 142 head higher than during the same week last year when 1,859 cows were killed locally.

Prime cattle imports from ROI for direct slaughter in NI plants last week totalled 190 head, an increase of 71 head from the previous week and accounting for three per cent of the total NI prime cattle kill. In the corresponding week in 2016 a total of 244 prime cattle were imported from ROI accounting for four per cent of the total NI prime cattle kill. Cow imports from ROI for direct slaughter in NI plants last week totalled 61 head, an increase of 14 head from the previous week and 21 head higher than during the same week last year. Exports of cows from NI to ROI for direct slaughter last week totalled 89 head compared to 216 head in the corresponding week in 2016. A further 51 prime cattle and 27 cows were exported from NI to GB for direct slaughter last week.

The average steer price in NI last week was back by 0.9p/kg to 343.1p/kg while the R3 steer price decreased by 0.8p/kg to 351p/kg. The average heifer price in NI last week was unchanged at 344.2p/kg while the R3 heifer price was back by 0.6p/kg to 350.3p/kg. The average cow price in NI last week recorded an increase of 2.2p/kg to 241p/kg while the O3 cow price decreased by 0.9p/kg to 253.6p/kg.

The average steer price in GB last week was back by 0.8p/kg to 349.7p/kg while the average R3 steer price decreased marginally to 359.5p/kg. The differential in R3 steer prices last week between NI and GB was 8.5p/kg or £30 on a 350kg carcass. Scotland saw the largest decline in deadweight R3 steer price last week by 2.4p/kg to 360.6p/kg. The average heifer price in GB last week was back by 0.6p/kg to 353.5p/kg while the average R3 heifer price decreased by 1.8p/kg to 359.5p/kg. This puts the differential in R3 heifer prices last week between NI and the GB average at 9.2p/kg or £29 on a 320kg carcass.

The deadweight cattle trade in ROI last week generally remained steady in both euro and sterling terms. The R3 steer price in ROI was the same as the previous week at the equivalent of 319.8p/kg while the R3 heifer price was almost unchanged at the equivalent of 330.8p/kg. The O3 cow price in ROI last week recorded a marginal increase to the equivalent of 259.4p/kg, putting it 5.8p/kg above the O3 cow price in NI.

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

	W/E 11/02/2017	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	353.2	328.7	359.0	359.2	366.1	368.3	362.7
	R3	351.0	319.8	360.6	355.9	359.6	361.2	359.5
	R4	350.7	320.6	364.1	367.6	359.3	359.7	363.6
	O3	340.9	306.2	331.6	326.5	322.6	326.5	326.7
	AVG	343.1	-	358.2	350.8	345.8	342.2	349.7
Heifers	U3	355.8	343.1	368.4	365.9	372.8	368.5	369.1
	R3	350.3	330.8	359.4	355.6	360.6	361.4	359.5
	R4	350.3	331.2	362.1	362.3	360.7	358.1	361.2
	O3	341.7	315.3	337.8	336.6	330.6	341.5	336.2
	AVG	344.2	-	360.5	355.3	349.7	345.5	353.5
Young Bulls	U3	345.5	320.1	354.7	346.0	346.8	355.7	348.3
	R3	341.2	311.3	347.5	334.3	338.6	358.2	339.8
	O3	324.2	298.5	309.6	299.2	306.3	332.5	307.7
	AVG	322.8	-	324.8	309.6	319.1	321.8	317.6
Prime Cattle Price Reported	5502	-	6996	7038	6767	4427	25228	
Cows	O3	253.6	259.4	252.3	248.4	250.6	245.0	249.1
	O4	257.3	260.6	252.7	248.1	251.6	240.7	248.6
	P2	219.4	235.5	195.9	198.8	201.0	191.0	197.6
	P3	236.0	250.8	213.5	225.2	217.0	216.0	218.1
	AVG	241.0	-	240.7	220.6	218.5	209.8	219.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.60p 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

## REPORTED NI CATTLE PRICES - P/KG

W/E 11/02/17	Steers	Heifers	Young Bulls
U3	352.0	355.5	345.5
R3	347.3	347.4	341.2
O+3	337.6	339.9	332.2

\*Prices exclude AA, HER and Organic cattle

## REPORTED COW PRICES NI - P/KG

W/E 11/02/17	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	161.7	171.6	192.5	204.0
P2	171.5	200.8	220.6	229.5
P3	168.6	213.0	233.0	240.1
O3	168.5	235.6	244.6	255.4
O4	-	230.0	243.5	258.1
R3	-	-	-	273.3

## SHEEP TRADE

### SHEEP BASE QUOTES

(P/Kg DW)	This Week 13/02/17	Next Week 20/02/17
Hoggets	370-375 > 22kg	370-375 > 22kg

## REPORTED SHEEP PRICES

(P/KG)	W/E 28/01/17	W/E 04/02/17	W/E 11/02/17
NI Hoggets L/W	345.3	343.5	344.4
NI Hoggets D/W	367.4	368.1	368.9
GB Hoggets D/W	378.2	377.9	381.9
ROI D/W	375.9	375.3	-

## Deadweight Sheep Trade

**Q**UOTES from the major NI processors for R3 grade hoggets remained steady this week ranging from 370-375p/kg with plants paying up to 22kg. Similar quotes are expected for Monday. Reports have indicated a reduction in the number of hoggets coming forward for slaughter with throughput last week totalling 7,068 head, a decline of 806 head from the 7,874 hoggets killed in NI plants the previous week. In the corresponding week in 2016 a total of 5,119 hoggets were killed locally. Meanwhile exports of sheep to ROI for direct slaughter last week totalled 8,751 head, an increase of 1,146 head from the previous week and also higher than the 8,346 sheep exported to ROI during the same week last year. The average deadweight hogget price in NI last week was up by 0.8p/kg to 368.9p/kg however this was lower than the corresponding week in 2016 when the average deadweight hogget price was 396.9p/kg.

## This week's marts

**R**EPORTS from the marts this week indicated a generally firmer trade with smaller numbers of hoggets passing through most of the sale rings compared to the previous week. In Kilrea on Monday 350 hoggets sold from 337-377p/kg compared to 500 hoggets the previous week selling from 333-349p/kg. In Saintfield on Tuesday 444 hoggets sold from 340-388p/kg compared to 473 hoggets the previous week selling from 335-375p/kg. In Markethill on Wednesday 900 hoggets sold from 340-375p/kg compared to 1,100 hoggets the previous week selling from 330-368p/kg. The trade for first quality fat ewes continued to strengthen this week with top prices generally ranging from £85-105 and a top reported price of £150 in Swatragh on Saturday.

## LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 11/02/17	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
<b>Finished Cattle (p/kg)</b>						
Steers	186	193	190	165	185	175
Friesians	156	158	157	139	155	145
Heifers	204	217	210	165	199	182
Beef Cows	131	190	145	110	130	120
Dairy Cows	101	124	108	60	100	80
<b>Store Cattle (p/kg)</b>						
Bullocks up to 400kg	210	247	225	180	209	195
Bullocks 400kg - 500kg	210	244	220	170	209	190
Bullocks over 500kg	200	220	210	170	199	182
Heifers up to 450kg	210	254	225	175	209	192
Heifers over 450kg	200	214	207	160	199	180
<b>Dropped Calves (£/head)</b>						
Continental Bulls	285	365	325	165	282	225
Continental Heifers	225	325	270	120	222	170
Friesian Bulls	100	165	130	25	98	65
Holstein Bulls	75	135	95	2	72	38

## LATEST SHEEP MARTS

From: 10/02/17		Hoggets (P/KG LW)			
To: 16/02/17		No	From	To	Avg
Friday	Newtownstewart	104	320	354	-
Saturday	Omagh	775	351	388	-
	Swatragh	600	316	374	-
Monday	Kilrea	350	337	377	-
	Massereene	855	340	376	-
Tuesday	Saintfield	444	340	388	-
	Rathfriland	523	313	375	344
Wednesday	Ballymena	1604	325	372	332
	Enniskillen	398	338	352	-
	Markethill	900	340	375	-
	Armoy	306	323	362	-

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