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DEADWEIGHT COW TRADE CONTINUES TO FIRM

A firm demand for manufacturing beef combined with a weak sterling has made NI cow beef very competitive on key European markets. These have been key factors behind the stronger deadweight cow trade recorded in NI with an average O3 cow price last week of 300.4p/kg, the highest cow price in the region since w/e 06 July 2013.

Figure 1 displays O3 cow prices in NI between 2015 and 2018 and as indicated in the chart deadweight prices during 2018 to date have been well above the corresponding period in previous years. The deadweight cow trade in NI has remained firmer than mainland GB during 2018 to date however remains behind the trade in ROI as indicated in Figure 2 which displays weekly O3 cow prices across all three regions during 2018 to date.

The average O3 cow price in GB last week was 292p/kg, 8.4p/kg lower than the equivalent price in NI. Meanwhile the average O3 cow price in ROI last week was 307.5p/kg, 7.1p/kg higher than the equivalent NI price.

The total cow herd in NI totalled 570,900 head in the December 2017 Agricultural Survey, a one per cent decline from the 575,500 cows recorded the previous December. However despite a slightly smaller cow herd cow throughput in local plants has remained strong during 2018 to date with a total of 43,254 cows processed. This is a 11.2 per cent increase on the 38,914 cows killed locally during the corresponding period in 2017.

The strong deadweight cow trade in NI has encouraged both beef and dairy producers to offload unproductive cows. The higher cow output from local herds was further encouraged by the forage shortage on many local farms this spring/early summer.

There has been no change to the suckler/dairy origin mix in the NI cow kill during 2018 when compared to previous years. During 2018 to date 59 per cent of cows killed locally were of dairy origin with the remaining 41 per cent of the cow kill sourced from the suckler herd.

Some of the increase cow throughput locally can be attributed to lower levels of cow exports for direct slaughter. During 2018 to date 2,647 cows have been exported out of NI for direct slaughter with 2,461 of these cows destined for ROI with the remaining 186 cows heading for processing plants in GB. This is a decline from the same period in 2017 when a total of 2,938 cows were exported out of NI for direct slaughter.

Meanwhile cow imports for direct slaughter in local plants have totalled 2,825 head during 2018 to date compared to 4,056 head during the same period last year. This accounts for a 30 per cent decrease year on year. Imported cows accounted for 6.5 per cent of cow throughput in NI during 2018 to date, a four per cent decrease from the corresponding period in 2017.

Figure 1: Price reported NI O3 Cow Prices 2015-2018

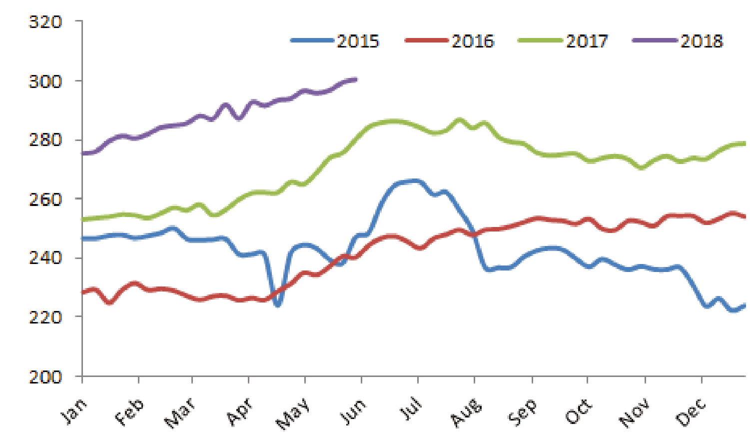
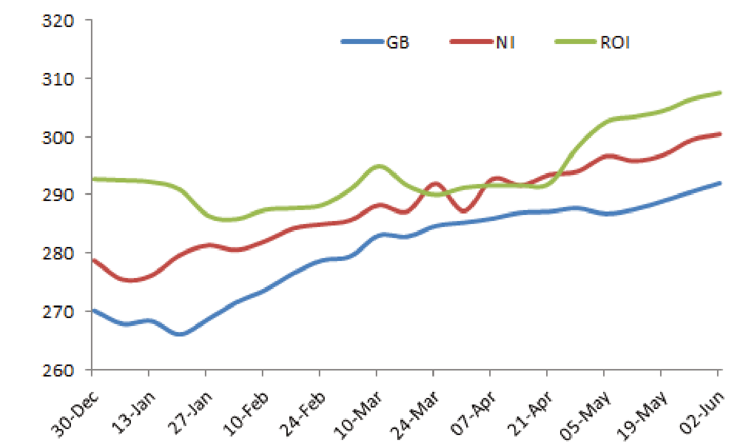


Figure 2: Price reported regional O3 Cow Prices 2018 to date



NI CALF EXPORTS FOLLOW SEASONAL TREND

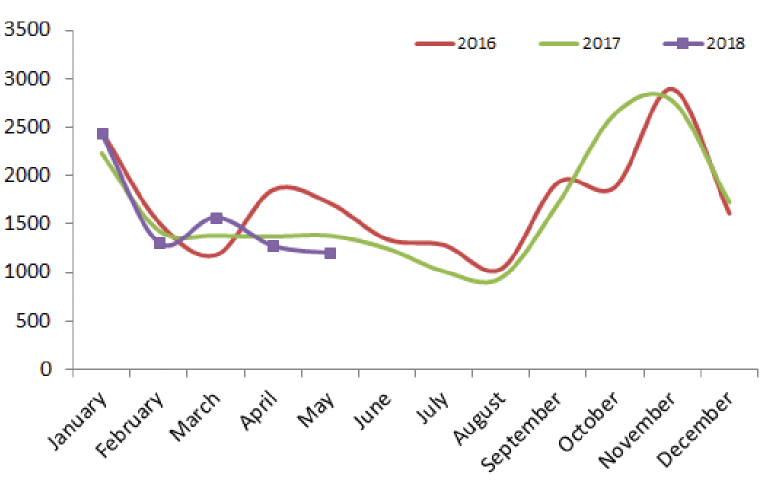
DURING May 2018 1,203 calves were exported out of NI for further breeding and production which brings total calf exports for the year to date to 7,791 head. This was almost identical to the 7,796 calves exported out of NI during the corresponding period in 2017. Calf exports during 2018 have followed the same seasonal trend as previous years as indicated in Figure 3.

The largest majority calves exported out of NI are dairy origin bull calves destined for further production in the EU. For several years now Spain has been the primary outlet for NI calf exports with 7,649 calves exported to the region during 2018 to date. This accounted for 98 per cent of all calf exports out of NI during 2018 to date.

Some reports earlier this year indicated that Spanish authorities would be longer willing to accept NI origin calves following Brexit due to our current TB status. Every effort should be made to maintain access to this market following Brexit as it provides an important outlet for dairy sired male calves.

The level of calf export during 2018 has remained similar to 2017 levels despite a slight decrease in the number of dairy sired male calves being registered on NI farms. During the first five months of 2018 32,139 dairy sired male calves were registered on NI farms, a 2.8 per cent decline from year earlier levels when 33,082 dairy sired male calves were registered.

Figure 3: Monthly NI calf exports 2016-2018



EU DEADWEIGHT R3 HEIFER LEAGUE TABLE

THE EU deadweight cattle prices league table provides a useful comparison of farmgate prices for R3 grade heifers across the EU. In the week ending 27/05/2018 the average R3 heifer price in the EU was 393.5c/kg, an increase of 1.8c/kg from 391.7c/kg in the week ending 29/04/2018.

GB remained in third place on the league table in the week ending 27/05/2018 with an equivalent R3 heifer price of 425.8c/kg. This was a 1.7c/kg increase from the 424.1c/kg paid during the week ending 29/04/2018. The differential between R3 heifer prices in GB and the EU average narrowed from 32.4c/kg in the week ending 29/04/2018 to 32.3c/kg in the week ending 27/05/2018.

In the week ending 27/05/2018 NI was fifth in the EU league table. The R3 heifer price was the equivalent of 419.4c/kg. This was a 3.6c/kg increase from the 415.7c/kg paid during the week ending 29/04/2018. The differential between the R3 heifer price in NI and the EU average widened from 24.0c/kg in the week ending 29/04/2018 to 25.9c/kg in the week ending 27/05/2018.

In ROI the R3 heifer price was 420.7c/kg in the w/e 27/05/2018, an increase of 10.2c/kg from the 410.5c/kg paid in the w/e 29/04/2018. This placed it 27.2c/kg above the EU average price and 1.3c/kg higher than the equivalent price in NI.

EU Deadweight Cattle Prices – Heifers R3 Equivalent (€cents)

Position last Mth	Position this Mth	Country	Price last Mth (w/e 29.04.18)	Price this Mth (w/e 27.05.18)	Change on Mth (cents)
1	1	Italy	446.6	438.3	-8.3
2	2	Sweden	428.4	428.3	-0.1
3	3	Great Britain	424.1	425.8	+1.7
6	4	Ireland	410.5	420.7	+10.2
4	5	Northern Ireland	415.7	419.4	+3.6
5	6	Luxembourg	410.7	398.7	-12.1
7	7	Spain	400.4	395.1	-5.3
8	8	France	386.0	391.0	+5.0
9	9	Germany	379.6	377.2	-2.5
10	10	Denmark	373.3	370.9	-2.4
11	11	Austria	360.0	365.6	+5.6
12	12	Slovenia	336.9	333.6	-3.3
13	13	Poland	331.1	326.0	-5.1
14	14	Belgium	312.0	315.0	+3.0
16	15	Lithuania	287.3	281.9	-5.4
15	16	Czech Republic	292.0	281.5	-10.5
		EU Average	391.7	393.5	+1.8
	Euro (€1=)		87.5	87.7	+0.2

WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 04/06/18	Next Week 11/06/18
Prime		
U-3	360 - 368p	360 - 368p
R-3	354 - 362p	354 - 362p
O+3	348 - 356p	348 - 356p
P+3	302 - 316p	302 - 316p
	Including bonus where applicable	
Cows		
O+3 & better	275 - 294p	280 - 294p
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 02/06/18	Steers	Heifers	Young Bulls
U3	374.1	377.4	368.6
R3	369.8	369.5	361.8
O+3	361.9	359.6	349.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 02/06/18	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	200.1	206.8	226.0	246.2
P2	216.7	236.4	261.8	273.6
P3	252.8	271.3	273.8	282.6
O3	286.8	285.0	296.6	301.1
O4	-	252.0	298.2	303.8
R3	-	-	-	321.1

Deadweight Cattle Trade

THE deadweight trade for prime cattle in NI has remained firm with base quotes for in spec U-3 grade prime cattle ending the week from 360-368p/kg across the major plants. Similar quotes are expected for early next week. The cow trade has also remained firm with base quotes for good quality O+3 grade cows starting this week at 275-294p/kg and strengthening as the week progressed to 280-294p/kg.

The plants have reported tighter supplies of prime cattle for slaughter with throughput last week totalling 5,804 head, back 318 head from the previous week when 6,122 head were killed locally. In the corresponding week in 2017 a total of 6,541 prime cattle were killed in NI plants. Meanwhile a total of 1,323 cows were slaughtered in NI last week, a decrease of 484 cows from the previous week and lower than the 1,613 cows killed in the same week last year.

Imports of cattle from ROI for direct slaughter in NI last week consisted of 29 prime cattle and 2 cows with a further 2 steers and 32 cows imported from GB. Meanwhile exports from NI for direct slaughter in ROI plants last week consisted of 35 prime cattle and 113 cows with 42 prime cattle and 16 cows making the journey to GB for direct slaughter.

Deadweight prices for prime cattle continued to improve in NI with the average steer price up by 2.9p/kg to 364.3p/kg last week. The R3 steer price last week increased by a similar margin to 372.9p/kg. This was up 4p/kg from the corresponding week last year when the R3 steer price in NI was 368.9p/kg. The average heifer price in NI last week increased by a notable 5.7p/kg to 367.8p/kg while the R3 heifer price was up by 2.9p/kg to 372.4p/kg. In the same week in 2017 the R3 heifer price in NI was 366p/kg, 6.4p/kg behind current levels. The R3 young bull price last week was 362p/kg, up 2.5p/kg from the previous week. The O3 cow price recorded an increase of a penny to 300.4p/kg from the previous week while the overall average cow price was back 1.8p/kg to 284.1p/kg.

In GB last week the deadweight cattle trade generally firmed with the average steer price up by 0.8p/kg to 368.4p/kg while the average R3 steer price increased by 0.7p/kg to 377.1p/kg. The R3 steer price in GB was 4.4p/kg higher than the R3 steer price in NI last week. The average heifer price in GB last week was up by 0.3p/kg to 370.6p/kg while the R3 heifer price increased 3.7p/kg to 376.5p/kg. The R3 heifer price in GB was 4.1p/kg higher than the R3 heifer price in NI last week.

In ROI last week deadweight prices for prime cattle generally remained steady in both euro and sterling terms. The R3 steer price in ROI last week was the equivalent of 361.5p/kg, back marginally from the previous week while the R3 heifer price was up by a penny to the equivalent of 372p/kg. This puts the R3 heifer price in ROI 0.4p/kg below the R3 heifer price in NI. The cow trade in ROI remained steady last week with the O3 cow price at 307.5p/kg which is 7.1p/kg higher than the equivalent price in NI.

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

W/E 02/06/2018		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	374.2	369.8	388.4	379.8	377.3	380.4	381.3
	R3	372.7	361.5	385.4	374.2	374.0	374.6	377.1
	R4	373.5	363.5	389.0	380.6	374.8	372.9	380.2
	O3	364.0	348.4	368.1	348.2	349.4	349.5	353.8
	AVG	364.3	-	383.1	365.4	363.5	360.3	368.4
Heifers	U3	378.6	384.5	392.0	381.8	384.8	380.0	385.4
	R3	372.4	372.0	383.9	374.1	374.2	373.4	376.5
	R4	371.5	372.5	387.5	378.1	375.4	373.2	378.9
	O3	367.3	357.7	368.2	354.6	354.5	353.0	357.6
	AVG	367.8	-	384.8	370.4	364.5	360.7	370.6
Young Bulls	U3	368.5	368.8	380.8	363.5	372.9	369.1	371.4
	R3	362.0	357.3	374.7	354.7	363.2	361.9	363.3
	O3	342.7	342.8	336.2	315.2	329.4	344.8	328.3
	AVG	352.3	-	373.8	342.9	350.6	358.4	354.7
Prime Cattle Price Reported		5209	-	6066	6637	6738	4308	23749
Cows	O3	300.4	307.5	300.9	289.6	291.9	290.4	292.0
	O4	303.2	309.2	303.6	289.2	289.7	288.4	290.9
	P2	259.3	280.6	249.7	244.1	241.3	251.7	245.4
	P3	280.0	299.6	279.1	267.5	257.4	270.1	264.2
	AVG	284.1	-	297.5	270.6	255.6	259.9	264.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.49p 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 02/06/18	1st QUALITY From	1st QUALITY To	1st QUALITY Avg	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Avg
Finished Cattle (p/kg)						
Steers	206	214	209	180	205	195
Friesians	156	164	160	134	149	141
Heifers	209	218	213	180	205	192
Beef Cows	160	207	175	130	159	145
Dairy Cows	130	142	135	95	129	112
Store Cattle (p/kg)						
Bullocks up to 400kg	220	256	240	190	219	205
Bullocks 400kg - 500kg	220	252	235	185	219	203
Bullocks over 500kg	210	230	220	170	209	190
Heifers up to 450kg	215	262	235	170	214	195
Heifers over 450kg	195	206	200	165	199	182
Dropped Calves (£/head)						
Continental Bulls	325	450	365	225	322	275
Continental Heifers	240	320	270	125	238	175
Friesian Bulls	115	170	140	85	110	100
Holstein Bulls	100	145	120	20	98	60

SHEEP TRADE

SHEEP BASE QUOTES		
(P/Kg DW)	This Week 04/06/18	Next Week 11/06/18
Lambs >21kg	460-470p	475p

REPORTED SHEEP PRICES			
(P/KG)	W/E 19/05/18	W/E 26/05/18	W/E 02/06/18
NI L/W Lambs	537.3	505.7	435.7
NI D/W Lambs	575.5	559.9	506.6
GB D/W Lambs	619.5	590.1	537.9
ROI D/W	553.4	554.7	486.2

Deadweight Sheep Trade

QUOTES from the major NI processors for R3 grade lambs this week ranged from 460-475p/kg with plants paying up to 21kg. One plant has quoted 475p/kg up to 21kg for early next week. The plants have reported an increase in the number of lambs coming forward for slaughter with throughput last week totalling 7,111 head. This was an increase of 2,609 head from the previous week when 4,502 lambs were killed locally. In the same week in 2017 a total of 7,879 lambs were killed locally accounting for a 7.9 per cent decrease year on year. Exports of sheep to ROI for direct slaughter last week totalled 5,182 head. The average deadweight lamb price in NI last week was considerably back by 53.3p/kg to 506.6p/kg while the ROI deadweight lamb price also recorded a strong decline of 68.5p/kg to 486.2p/kg.

This week's marts

SMALL numbers of lambs continue to pass through many of the marts this week with the trade improving as the week progressed. In Swatragh on Saturday 306 lambs sold from 392-451p/kg compared to 350 lambs the previous week selling from 382- 491p/kg. In Massereene on Monday 542 lambs sold from 440-495p/kg compared to 496 lambs last week selling from 450-495p/kg. In Rathfriland on Tuesday 350 lambs sold from 435-493p/kg (avg 476p/kg) compared to 434 lambs last week selling from 398-455p/kg (avg 422p/kg). In Ballymena on Wednesday 401 lambs sold from 480-572p/kg (avg 504p/kg) compared to 602 lambs last week selling from 400-481p/kg (avg 422p/kg). The trade for well fleshed cull ewes has remained steady with top reported prices ranging from £86-135.

LATEST SHEEP MARTS					
From: 01/06/18		Lambs (P/KG LW)			
To: 07/06/18		No	From	To	Avg
Saturday	Omagh	298	435	479	-
	Swatragh	306	392	451	-
Monday	Massereene	542	440	495	-
	Kilrea	250	463	510	-
Tuesday	Saintfield	272	429	475	-
	Rathfriland	350	435	493	476
Wednesday	Ballymena	401	480	572	504
	Enniskillen	285	428	472	-
	Armoy	245	475	525	-
	Markethill	450	460	549	-

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