

MARKET DRIVERS INFLUENCE SLAUGHTER MIX AND CONFORMATION TRENDS

WHILE there was an increase in prime cattle throughput in NI plants during the last quarter of 2017 there were also changes to the type of cattle being slaughtered. This has resulted in a general downward shift in the conformation scores awarded to both steers and heifers in NI in recent years.

Table 1 displays the conformation scores achieved by the price reported NI heifer kill during the final quarter of 2015, 2016 and 2017. As indicated in the table U grading heifers accounted for 17 per cent of the price reported heifer kill during the final quarter of 2017. While this was unchanged from the corresponding period in 2016 it was back by six percentage points from the same period in 2015 when 23 per cent of heifers achieved a U grade.

The proportion of R grading heifer

carcasses in the NI slaughter mix has also recorded a decline. In the final quarter of 2017 43.2 per cent of heifer carcasses achieved an R grade. This was back by 1.4 percentage points from the corresponding period in 2016 when 44.6 per cent of heifers achieved an R grade. In the final quarter of 2015 47.9 per cent of heifer carcasses achieved an R grade, this was 4.7 percentage points higher than the final quarter of 2017.

There has been a notable increase in the proportion of O grading heifer carcasses in the NI slaughter mix. During the final quarter of 2017 32.7 per cent heifer carcasses achieved an O grade. This was 1.8 percentage points higher than the final quarter of 2016 and 9 percentage points higher than the same period in 2015. Meanwhile P grading heifers accounted for 7 per cent of the price reported heifer kill in the 2017 period. This was similar to the same

period in 2016 but up slightly from 5 per cent in the final quarter of 2015.

During the final quarter of 2017 17.5 per cent of the price reported steer kill in NI achieved a U grade, this was back from 18.4 per cent in the final quarter of 2016 and 22.5 per cent in the final quarter of 2015. The proportion of R grading carcasses has also recorded a steady decline. In the 2017 period 34.8 per cent of steers achieved an R grade, back from 36.2 per cent in the 2016 period and 37.4 per cent in the final quarter of 2015.

The proportion of steer carcasses achieving an O grade has steadily increased. In the final quarter of 2017 35.7 per cent achieved an O grade, up from 33.5 per cent in the final quarter of 2016 and 29.2 per cent in the same quarter of 2015. Meanwhile P grading steers accounted for 11.7 per cent of the price reported steer kill in the final quarter of 2017. This was almost unchanged from year earlier levels but 1.2 percentage points higher than the same period in 2015.

Several factors have contributed to this overall decline in the conformation scores achieved by steers and heifers. The first is an increase in the influence of dairy genetics in the slaughter mix due to more dairy cows being crossed with beef bulls in response to weakening milk prices. In the final quarter of 2017 beef-cross heifers accounted for 28 per cent of total heifer throughput in NI plants. This was up from 25 per cent in the 2016 period and 22 per cent in the 2015 period.

Table 1: Conformation scores of the price reported heifer kill in NI during Quarter 4 2015-2017

Kill Year	E	U	R	O	P
2015	0.2%	23.0%	47.9%	23.7%	5.1%
2016	0.2%	17.0%	44.6%	30.9%	7.3%
2017	0.2%	17.0%	43.2%	32.7%	7.0%

Table 2: Conformation scores of the price reported steer kill in NI during Quarter 4 2015-2017

Kill Year	E	U	R	O	P
2015	0.4%	22.5%	37.4%	29.2%	10.5%
2016	0.3%	18.4%	36.2%	33.5%	11.5%
2017	0.3%	17.5%	34.8%	35.7%	11.7%

Meanwhile the proportion of heifers with a suckler dam accounted for 66 per cent of the total heifer kill, back from 68 per cent in the 2016 period and 72 per cent in the 2015 period.

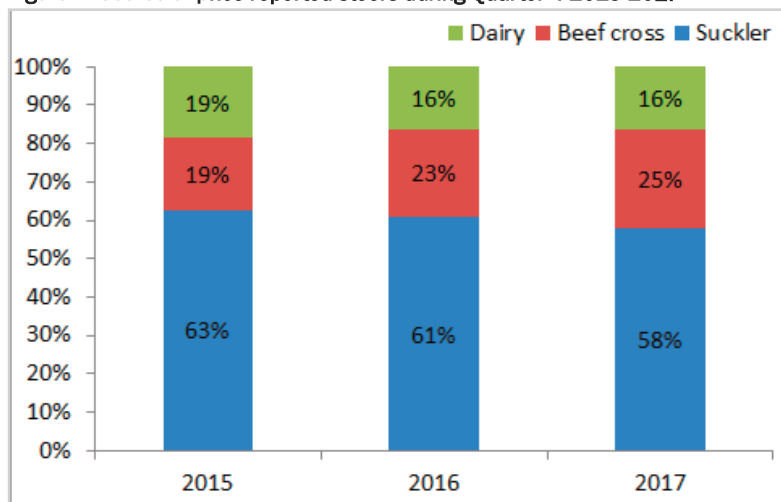
As indicated in Figure 1 beef cross steers accounted for 25 per cent of price reported steers in the 2017 period, up from 23 per cent in the 2016 period and 19 per cent in the same period in 2015. Meanwhile suckler origin steers accounted for 58 per cent of the kill in the 2017 period, back from 61 per cent in the 2016 period and 63 per cent in the 2015 period. Dairy sired steers accounted for 16 per cent of steer throughput in the 2017 period, unchanged from 2016 levels but back from 19 per cent in the 2015 period.

Another key factor influencing the conformation scores achieved by the

prime cattle kill in NI has been the increasing proportion of native bred cattle in the slaughter mix. Aberdeen Angus and Hereford cattle attract a premium at point of slaughter and have increased in popularity in recent years as a result. These animals tend to be O grading, particularly when they are sourced from the dairy herd.

In the final quarter of 2017 Aberdeen Angus and Hereford cattle together accounted for 22 per cent of steer throughput in local plants. This is up from 19 per cent in the final quarter of 2016 and 16 per cent in the same period in 2015. Aberdeen Angus and Hereford heifers accounted for 25 per cent of the total heifer throughput in local plants in the last quarter of 2017, up from 23 per cent in the 2016 period and 20 per cent in the 2015 period.

Figure 1: Source of price reported steers during Quarter 4 2015-2017



SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 15/01/18	Next Week 22/01/18
Hoggets >22kg	405-420p	400-420p

REPORTED SHEEP PRICES

(P/KG)	W/E 30/12/17	W/E 06/01/18	W/E 13/01/18
NI L/W Lambs/Hoggets	-	357.3	365.8
NI D/W Lambs/Hoggets	379.9	390.2	401.4
GB D/W Lambs/Hoggets	405.1	410.4	410.8
ROI D/W	417.4	420.9	420.2

Deadweight Sheep Trade

QUOTES from the major processing plants in NI this week ranged from 400-420p/kg for R3 grading hoggets with the plants paying up to 22kg. Similar quotes are expected for early next week. Hogget throughput in the local plants last week totalled 8,660 head which was an increase of 2,405 head from the previous week. ROI continues to be an important outlet for the NI sheep sector with 10,134 sheep exported for direct slaughter last week. The average liveweight price in NI last week was 365.8p/kg, up 8.5p/kg from the previous week. The average deadweight hogget price in NI last week was 401.4p/kg, an increase of 10.2p/kg from the previous week.

This week's marts

MANY of the marts have reported smaller numbers of sheep passing through the sale rings this week due to poor weather conditions. In Omagh last Saturday 773 hoggets sold from 355-394p/kg while in Swatragh 772 hoggets sold from 317-378p/kg. In Kilrea this week 450 hoggets sold from 363-391p/kg compared to 730 hoggets last week selling from 364-388p/kg. In Saintfield this week 540 hoggets sold from 365-400p/kg which was a similar trade to the previous week when 1,044 hoggets sold from 350-406p/kg. A smaller show of 854 hoggets in Ballymena this week sold from 355-400p/kg (avg 370p/kg) compared to 1,902 hoggets last week selling from 350-400p/kg (avg 366p/kg). Small numbers of ewes continued to pass through the marts this week with top reported prices generally ranging from £90-100.

LATEST SHEEP MARTS

From: 12/01/18		Hoggets (P/KG LW)			
To: 18/01/18		No	From	To	Avg
Friday	Newtownstewart	160	331	365	-
Saturday	Omagh	773	355	394	378
	Swatragh	772	317	378	-
Monday	Massereene	826	375	410	-
	Kilrea	450	363	391	-
Tuesday	Saintfield	540	365	400	-
Wednesday	Ballymena	854	355	400	370
	Enniskillen	422	358	382	-
	Markethill	400	360	399	-
	Armoy	114	370	409	-

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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 15/01/18	Next Week 22/01/18
Prime		
U-3	348 - 356p	350 - 356p
R-3	342 - 350p	344 - 350p
O+3	336 - 344p	338 - 344p
P+3	290 - 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 13/01/18	Steers	Heifers	Young Bulls
U3	364.1	362.6	348.5
R3	357.3	357.3	347.9
O+3	349.4	348.7	340.7

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 13/01/18	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	177.4	187.1	193.6	212.2
P2	198.6	214.5	233.4	245.7
P3	211.6	236.9	247.2	257.6
O3	206.0	249.0	266.2	278.4
O4	-	299.5	274.6	279.5
R3	-	-	-	300.3

Deadweight Cattle Trade

BASE quotes from the plants for in spec U-3 grade prime cattle have remained fairly steady this week at 350-356p/kg. The majority of plants are quoting 352p/kg for steers and 354p/kg for heifers. Quotes for cows this week ranged from 260-280p/kg with the majority of plants quoting in the region of 270p/kg. Similar quotes are expected for all types of cattle early next week.

The plants have reported steady supplies of all types of cattle coming forward for slaughter to meet demand for beef. Prime cattle throughput last week totalled 7,117 head, an increase of 1,134 head from the previous week and the highest weekly throughput of prime cattle since early December 2017. Cow throughput in NI last week totalled 2,311, an increase of 654 head from the previous week.

Imports from ROI for direct slaughter included 37 prime cattle and 6 cows last week, a notable decline from 143 prime cattle and 52 cows in the corresponding week in 2017. A further 8 prime cattle and 103 cows were imported from GB for direct slaughter last week. This was a similar to the corresponding week last year. Exports from NI to ROI for direct slaughter last week consisted of 72 prime cattle and 174 cows while a further 12 prime cattle and 24 cows were exported to GB.

There was a slight weakening in the deadweight cattle trade in NI last week. The average steer price in NI last week was 352.3p/kg, back 1p/kg from the previous week however the R3 steer price was unchanged at 361p/kg. The average heifer price in NI last week was 352p/kg, back 2.7p/kg from the previous week. Meanwhile the R3 heifer price last week was back marginally to 359.9p/kg. The average young bull price in NI last week was 332p/kg, back 1p/kg from the previous week. There was however a notable 5.7p/kg reduction in the U3 young bull price to 348.4p/kg. The cow trade in NI firmed slightly with the average cow price up by 2.1p/kg to 257.8p/kg.

The deadweight cattle trade has continued to come under pressure in GB with the average steer price back by 1.7p/kg to 361.1p/kg while the R3 steer price was back by 1.1p/kg to 371.9p/kg. The average heifer price in GB last week was 363.8p/kg, back 2.4p/kg from the previous week. Meanwhile the R3 heifer price was back by a similar margin to 371.2p/kg. This puts the differential between NI and the GB average R3 steer price at 10.9p/kg while the differential in R3 heifer prices between the regions was 11.3p/kg.

The deadweight cattle trade held steady in ROI last week however a slight weakening in the euro against sterling meant the R3 steer price was back by almost 1p/kg to 350.2p/kg while the R3 heifer price was back by 2.4p/kg to 360.7p/kg. The R3 heifer price in ROI remains just above the equivalent price in NI. The cow trade in ROI has held relatively steady with an O3 cow price the equivalent of 292.2p/kg. This was 16.1p/kg higher than the equivalent price in NI.

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

	W/E 13/01/2018	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	365.4	360.1	383.4	377.3	372.4	376.0	377.0
	R3	361.0	350.2	383.0	372.8	366.8	365.1	371.9
	R4	358.2	351.8	380.9	382.5	364.8	363.2	375.2
	O3	349.1	336.8	359.6	337.7	333.6	334.5	341.7
	AVG	352.3	-	377.3	361.3	351.7	351.4	361.1
Heifers	U3	362.8	372.9	389.7	379.8	381.8	377.7	382.8
	R3	359.9	360.7	379.9	368.0	369.1	366.7	371.2
	R4	356.5	361.6	380.2	372.7	369.6	362.1	371.8
	O3	352.3	348.4	363.0	344.6	334.1	342.4	345.9
	AVG	352.0	-	378.9	364.3	356.1	353.3	363.8
Young Bulls	U3	348.4	354.3	374.5	365.6	362.1	357.0	364.8
	R3	348.1	344.9	368.2	349.2	355.7	358.4	356.3
	O3	329.9	332.3	336.3	316.9	322.1	341.5	326.8
	AVG	332.0	-	346.5	334.6	331.9	334.0	335.5
Prime Cattle Price Reported		6450	-	6963	7425	6868	4416	25672
Cows	O3	276.1	292.2	270.1	263.0	274.7	260.8	268.3
	O4	279.5	292.4	271.0	264.2	271.4	260.6	267.3
	P2	232.8	266.7	213.5	216.8	215.7	224.0	217.6
	P3	253.4	281.9	231.5	236.5	232.5	241.3	234.9
	AVG	257.8	-	258.3	241.1	234.4	231.7	238.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.68p 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 13/01/18	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	200	210	204	175	198	187
Friesians	155	170	164	140	154	145
Heifers	204	218	211	175	202	190
Beef Cows	155	215	170	125	154	140
Dairy Cows	112	144	120	70	111	90
Store Cattle (p/kg)						
Bullocks up to 400kg	220	249	235	180	219	200
Bullocks 400kg - 500kg	215	226	220	175	214	195
Bullocks over 500kg	195	218	205	165	194	180
Heifers up to 450kg	210	239	220	165	209	190
Heifers over 450kg	195	214	205	165	194	180
Dropped Calves (£/head)						
Continental Bulls	300	460	350	180	298	240
Continental Heifers	200	320	255	100	198	150
Friesian Bulls	110	185	135	40	108	75
Holstein Bulls	80	150	105	10	78	45

BVD MOVEMENT RESTRICTIONS TO BE INTRODUCED

THE BVD Eradication Scheme Order (NI) came into effect on the 01 March 2016 at the request of the NI cattle industry, making the tagging and testing of all new born calves for BVD compulsory. Bovine Viral Diarrhoea (BVD) is a production disease that impacts mainly at farm level and is endemic in Northern Ireland. The aim of the scheme is to reduce and ultimately eradicate BVD in Northern Ireland.

Production diseases such as BVD are a significant economic burden on the NI beef industry and to help advance the sustainability of the industry it is essential that productivity is improved and waste is reduced. The presence of a BVD Persistently Infected (PI) animal in a breeding herd will, in one year, increase the risk of BVD PI calves being born in the following year. The early removal of these highly infectious animals is therefore critical to the success of BVD eradication.

To incentivise the removal of these BVD PI calves DAERA announced the opening of the BVD PI Removal Incentivisation Scheme early in 2017 which was funded using EU exceptional adjustment aid funds. The scheme was administered by LMC and operated from 01 February 2017 until 30 September 2017 with a

total of 1,308 claims for BVD PI calves processed.

Following on from the success of the incentivisation scheme Animal Health and Welfare Northern Ireland (AHWNI) and the Department of Agriculture, Environment and Rural Affairs have announced further measures to reduce the spread of Bovine Viral Diarrhoea (BVD). From 12 February 2018, AHWNI BVD statuses from the BVD Eradication Scheme will be visible on APHIS. This change will enable herd owners to view the BVD status of their cattle using APHIS and will help them prevent any mistaken movement of animals which have a positive BVD status.

APHIS movement restrictions are also being introduced. Cattle born on or after 01 March 2016 can only be permitted through a market, permitted directly to another herd or exported (including via an Export Assembly Centre) if they have tested negative for BVD. Cattle born before 01 March 2016 which are positive (BVDPI), inconclusive (BVDI), dam of a persistently infected (PI) calf (DAMPPI) or offspring of a PI (OFFPI) cannot be permitted to a market, permitted directly to another herd or exported (including via an Export Assembly Centre).

Any animal taken to a market when movement is not allowed will not be sold and must be returned to the herd from which it moved. Farmers are reminded to check the BVD status of previously purchased animals through their access to the AHWNI database or from February onwards on APHIS.

Image 1: PI calves may appear healthy but will shed virus at high levels and are therefore the most significant source of infection



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