

NI HOGGET TRADE REMAINS FIRM WITH LOCAL KILL RUNNING BEHIND LAST YEAR

THE deadweight hogget trade in NI has remained firm during 2018 to date with an average reported deadweight price of 405p/kg. This is notably higher than the average of 367.1p/kg paid during the corresponding six week period in 2017 as indicated in Figure 1. This increase by 37.9p/kg accounts for an increase of £8.33 in the value of a 22kg carcass year on year.

However during the first six weeks of 2018 there were 41,161 hoggets killed in local plants. This was a nine per cent reduction from the corresponding period in 2017 when 45,055 hoggets were slaughtered in NI. While the number of hoggets killed locally has declined year on year there has been an increase in the number of hoggets being exported to ROI for direct slaughter.

During the first six weeks of 2018 50,432 hoggets made the journey to ROI for direct slaughter, a 20 per cent increase from 42,060 hoggets exported during the same period in 2017. Exports to ROI accounted for 55 per cent of total hogget output from NI during the 2018 period, an increase from 48 per cent in the same period in 2017.

There has been strong demand for NI lambs in ROI plants due to a weaker

sterling against euro making NI lambs very cost competitive. NI lambs accounted for 13 per cent of the total lamb kill in ROI during 2018 to date. A weaker sterling also benefits local lamb processors as it makes NI product more competitive on the valuable EU market.

The average carcass weight of hoggets killed in local plants during 2018 has also been running behind year earlier levels. The average hogget carcass weight during 2018 to date was 21.7kg compared to 22.5kg during the same period last year. The reduction in average carcass weights may be an indication that producers are trying to finish lambs below the 22kg carcass weight limit however it may also be indicating poorer hogget performance at farm level.

Reports from the local processors have indicated that there has been a very mixed quality of hoggets being presented for slaughter during 2018 to date and analysis of price reporting statistics have indicated a downward shift in conformation scores awarded during the first six weeks of 2018 when compared to the same period in 2017 as outlined in Figure 2.

In the 2018 period 31 per cent of price reported hoggets achieved a U grade, back from 38 per cent in the

corresponding period in 2017. Meanwhile the proportion of R grading hogget carcasses increased from 58 per cent of the NI price reported kill in the 2017 period to 64 per cent in the 2018 period. There has also been a slight increase in the proportion of O grading carcasses in the NI slaughter mix year on year although the numbers involved remain very small.

The fat cover on lamb carcasses killed in local plants has also shown some variability year on year. In the 2018 period 23 per cent of price reported lamb carcasses achieved a fat class 2, up from 21 per cent in the 2017 period. The proportion awarded a fat class 3 increased from 64 per cent of the kill in the 2017 period to 66 per cent of the kill in the 2018 period. Meanwhile the proportion of carcasses awarded a 4L for fat cover declined from 13 per cent in the 2017 period to 9 per cent in the 2018 period.

Producers are encouraged to produce hoggets that meet current market specifications as carcasses from these animals can be used to service the widest possible range of market outlets. Processors have a strong preference for lambs/hoggets with FQ status with bonuses available in some plants while other plants will not handle non assured lambs.

Figure 1: Deadweight lamb/hogget prices in NI January 2016-January 2018

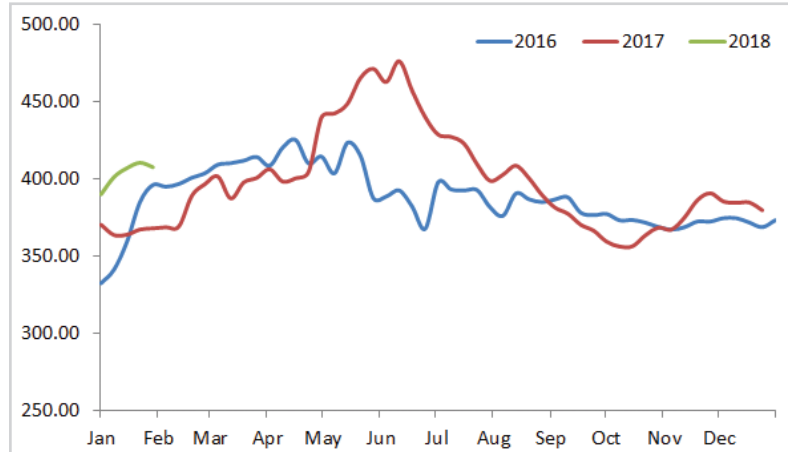
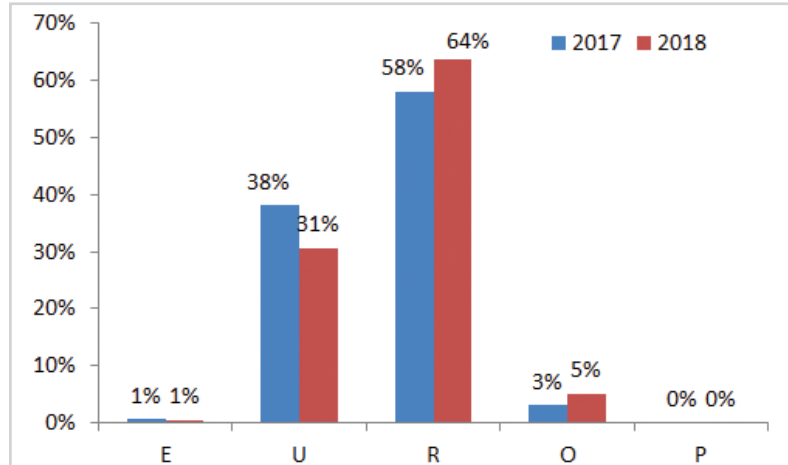


Figure 2: Conformation scores awarded to NI price reported hoggets killed during the first six weeks of 2018 and the corresponding period in 2017.



FAO FOOD PRICE INDEX REMAINS STABLE



Food and Agriculture
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THE FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities. The FAO Food Price Index averaged 169.5 points in January 2018. This was unchanged from December 2017 levels but almost three per cent below January 2017 levels when the FAO Food Index was 174.6 points.

The FAO Meat Price Index averaged 170.6 points in January 2018, almost unchanged from December 2017 levels. However at this level, the index is 7.4 percent higher than its January 2017 value and 19.5 percent below its all-time high reached in August 2014. International price quotations for poultry and

pigmeat continued to slide during January 2017 due to higher export availabilities and weak import demand.

Meanwhile prices of bovine meat were up marginally from December 2017 levels, reflecting lower beef export availability in Oceania. Global prices for ovine meat increased on the back of strong international demand, especially from Asia and the Middle East.

The FAO Dairy Price Index averaged 179.9 points in January 2018, down 2.4 percent (4.5 points) from December 2017. Although this was the fourth consecutive month in which the FAO Dairy Price Index recorded a decline it is still 41 percent higher than its lowest point reached in April 2016. During January 2018 international price quotations for butter and cheese declined, while

those of milk powders increased.

Strong milk supplies in the Northern Hemisphere and Australia put some downward pressure on butter and cheese prices. However, the possibility that seasonal milk production in New Zealand will be lower than expected resulted in an increase in Whole Milk Powder (WMP) prices while Skim Milk Powder (SMP) values also increased, mostly on account of strong import demand.

The FAO Cereal Price Index averaged 156.2 points in January 2018, up almost 2.5 percent (4 points) from December 2017 levels and 6.3 percent from January 2017. There were increased supplies of wheat and maize however prices were held up by a weaker US dollar and some concerns over weather impacts on production.

International rice values continued to firm up in January 2018, sustained mainly by renewed Asian demand.

The FAO Vegetable Oil Price Index averaged 163.1 points in January 2018, virtually unchanged from December 2017 levels as moderate rises in palm oil values were outweighed by weakening prices for other oils, notably sunflower and rapeseed oils.

The FAO Sugar Price Index averaged almost 201 points in January 2018, down 1.6 percent (3.2 points) from December 2017 levels and markedly lower than the 288.5 points recorded during January 2017. International sugar quotations remained under downward pressure mostly because of strong production outcomes in major producing countries and strong export availabilities as a result.

FQAS NOTICE ONLINE PAYMENTS

LMC has launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 12/02/18	Next Week 19/02/18
Prime		
U-3	348 - 354p	348 - 354p
R-3	342 - 348p	342 - 348p
O+3	336 - 342p	336 - 342p
P+3	290 - 306p	290 - 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.

Deadweight Cattle Trade

QUOTES from the major NI beef processing plants came under some pressure early this week with reports indicating good cattle supplies combined with a weaker demand for beef as key factors behind this movement. Base quotes for in spec U-3 steers and heifers ranged from 348-354p/kg this week with similar quotes expected for early next week. Quotes for O+3 grading cows have held steady at 260-280p/kg with the majority of plants quoting in the region of 270p/kg.

Prime cattle throughput in local plants last week totalled 7,083 head. This was similar to the previous week and notably higher than the 6,363 head killed locally during the corresponding week last year. Cow throughput in NI last week totalled 2,047 head, back 105 head from the previous week and just above the cow throughput recorded in the same week in 2017. Imports for direct slaughter from ROI last week consisted of 34 prime cattle and 9 cows while a further 141 cows were also imported from GB for direct slaughter in local plants. Exports from NI to ROI for direct slaughter last week included 73 prime cattle, 122 cows and 10 bulls while a further 34 prime cattle were exported to GB.

The average steer price in NI last week was back 1.3p/kg to 350p/kg, while the R3 steer price was back by a similar margin to 357.9p/kg. This was the third consecutive week in which it has recorded a decline. The average heifer price in NI last week was unchanged at 351.6p/kg while the R3 heifer price was back marginally to 358.2p/kg. The young bull trade came under some pressure in NI last week with the average price back by 2.4p/kg to 331.4p/kg and the R3 young bull price back by 2.1p/kg to 344.2p/kg.

The deadweight trade for prime cattle has also continued to come under pressure in GB. The average steer price was back by 1.6p/kg to 355.6p/kg last week while the R3 steer price was back by a similar margin to 364.7p/kg. R3 steer prices recorded a decline in Scotland, the Midlands and Southern England last week while in Northern England the R3 steer price increased by 3p/kg to 366.1p/kg. The average heifer price in GB last week was back by 1.6p/kg to 358.4p/kg while the R3 steer heifer price was back by 2p/kg to 365.9p/kg. The R3 heifer price recorded a decline in all of the GB regions last week with the most notable declines recorded in the Midlands and Scotland.

The cow trade continued to firm in GB last week with the average cow price up by 1.5p/kg to 248.3p/kg. The average O3 cow price increased by 2.1p/kg to 273.6p/kg in GB last week with a strong increase of 5.8p/kg recorded in Northern England. Meanwhile in NI last week the O3 cow price increased by 1.5p/kg to 282p/kg putting it 8.4p/kg higher than the equivalent price in GB.

In ROI last week deadweight prices generally held steady in euro terms however a firming in euro against sterling meant prices improved slightly in sterling terms. The R3 steer price in ROI last week was the equivalent of 340.89p/kg while the R3 heifer price was the equivalent of 352p/kg.

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

W/E 10/02/2018	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	361.9	350.9	372.7	367.3	367.0	368.5
	R3	357.9	340.8	372.8	366.1	359.9	364.7
	R4	358.4	341.5	374.6	372.7	361.0	368.2
	AVG	350.0	-	369.7	355.5	348.1	355.6
Heifers	U3	362.0	364.7	379.9	371.4	374.4	374.6
	R3	358.2	352.0	372.5	362.9	365.1	365.9
	R4	354.8	352.3	374.7	369.1	364.0	367.3
	AVG	351.6	-	371.7	358.6	352.0	358.4
Young Bulls	U3	339.1	344.0	366.5	347.1	353.9	353.9
	R3	344.2	331.9	357.6	342.4	348.2	347.8
	O3	330.4	318.0	320.9	308.1	314.0	315.1
	AVG	331.4	-	339.9	320.4	322.0	324.7
Prime Cattle Price Reported	6377	-	6576	7276	7067	4558	25477
Cows	O3	282.0	287.4	274.1	271.1	278.3	273.6
	O4	286.2	287.5	278.7	274.8	278.3	275.9
	P2	242.5	258.6	220.8	226.8	225.3	226.2
	P3	259.2	277.1	238.4	248.0	242.1	243.7
AVG	262.4	-	265.5	252.8	245.8	239.6	248.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.48p 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 10/02/18	Steers	Heifers	Young Bulls
U3	361.6	361.2	338.8
R3	355.3	355.7	344.6
O+3	345.9	346.3	336.0

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 10/02/18	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	182.3	198.7	205.7	220.8
P2	198.6	221.2	243.1	252.5
P3	192.5	240.6	257.1	262.7
O3	-	257.7	276.0	283.1
O4	-	257.7	275.5	287.1
R3	-	-	-	301.7

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 12/02/18	Next Week 19/02/18
Hoggets >22kg	410-425p	430-455p

REPORTED SHEEP PRICES

(P/KG)	W/E 27/01/18	W/E 03/02/18	W/E 10/02/18
NI L/W Hoggets	369.3	370.3	382.3
NI D/W Hoggets	410.6	406.7	412.9
GB D/W Hoggets	415.4	426.7	442.6
ROI D/W	412.7	416.7	429.2

Deadweight Sheep Trade

THE deadweight hogget trade continued to firm in NI this week with quotes from the plants of 430-455p/kg for R3 grading hoggets up to 22kg. Similar quotes are expected for early next week. The processors are reporting steady supplies of hoggets coming forward for slaughter with 5,915 hoggets killed in local plants last week, back marginally from the previous week. Exports to ROI for direct slaughter last week consisted of 7,302 hoggets and 1,963 ewes/rams. Meanwhile 193 sheep were imported from GB for direct slaughter last week which takes the total for the year to date to 581 head. The deadweight lamb price in NI last week increased by 6.2p/kg to 412.9p/kg while in ROI it increased by the equivalent of 12.5p/kg to 429.2p/kg.

This week's marts

A firm trade was reported across the marts this week with reported prices improving from previous weeks. In Swatragh last Saturday 530 hoggets sold from 320-415p/kg compared to 600 hoggets the previous week selling from 341-398p/kg. In Kilrea on Monday 295 hoggets sold from 379-414p/kg compared to 360 hoggets last week selling from 366-378p/kg. In Rathfriland this week 400 hoggets sold from 390-428p/kg (avg 414p/kg) compared to 435 hoggets last week selling from 366-410p/kg (avg 390p/kg). A good entry of 1,860 hoggets in Ballymena this week sold from 380-452p/kg (avg 400p/kg) compared to 1,041 hoggets last week selling from 350-410p/kg (avg 377p/kg). A steady trade for cull ewes has also been reported with top reported prices of over £100 in several of the marts.

LATEST LIVELWEIGHT CATTLE MART PRICES NI

W/E 10/02/18	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	205	213	209	180	204	192
Friesians	156	170	165	130	151	145
Heifers	201	211	206	180	200	190
Beef Cows	144	184	160	115	143	130
Dairy Cows	120	155	128	75	119	95
Store Cattle (p/kg)						
Bullocks up to 400kg	235	271	250	200	234	218
Bullocks 400kg - 500kg	220	266	240	185	219	200
Bullocks over 500kg	195	216	205	165	194	180
Heifers up to 450kg	225	266	240	180	224	202
Heifers over 450kg	205	226	215	168	204	185
Dropped Calves (£/head)						
Continental Bulls	300	415	245	200	298	245
Continental Heifers	200	275	240	110	198	150
Friesian Bulls	140	220	170	70	138	100
Holstein Bulls	105	155	120	20	102	60

LATEST SHEEP MARTS

From: 09/02/18		Hoggets (P/KG LW)			
To: 15/02/18		No	From	To	Avg
Friday	Newtownstewart	152	346	396	-
Saturday	Omagh	754	385	426	-
	Swatragh	530	320	415	-
Monday	Massereene	526	390	445	-
	Kilrea	295	379	414	-
Tuesday	Saintfield	490	400	460	-
	Rathfriland	400	390	428	414
Wednesday	Ballymena	1860	380	452	400
	Enniskillen	802	405	438	-
	Markethill	950	400	450	-
	Armoey	312	405	440	-

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