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LOWER IMPORTS FROM ROI FOR DIRECT SLAUGHTER AND FURTHER PRODUCTION

DURING the twelve week period ending 02 April 2016 4,238 prime cattle were imported from ROI for direct slaughter in NI plants and accounted for six per cent of total prime cattle throughput. This was a decline from the corresponding period in 2015 when 5,163 prime cattle were imported from ROI for direct slaughter although imports from ROI also accounted for six per cent of NI prime cattle slaughterings during the 2015 period.

Figure 1 outlines the monthly imports of prime cattle from ROI to NI for direct slaughter from 2014 to 2016. Imports of prime cattle from ROI for direct slaughter generally peak in the autumn months as the number of cattle coming available for slaughter increases however as indicated in Figure 1 the monthly level of export during the last quarter of 2015 was notably lower than the level of import during the corresponding period in 2014.

This trend of reduced imports for direct slaughter has continued into the first quarter of 2016 with imports running behind the corresponding period in 2015 as outlined in Figure 1. With reports from processors indicating steady supplies of NI origin prime cattle available to meet demand for beef during 2016 to date there has been less demand for prime cattle imported from ROI. Also with the euro currently trading strongly against sterling finished cattle in ROI have become relatively more expensive for NI processors.

Further production

During 2015 a total of 7,363 male store cattle were imported from ROI for further production on NI farms. This was fairly similar to 2014 levels when 7,220 male store cattle were imported from ROI for further production. However during 2016 to date imports for further production are notably lower than the corresponding period in 2015.

During the first quarter of 2016 602 male store cattle were imported from ROI for further production on NI farms, a notable decline from the 2,035 head imported during the same period in 2015. Imports of male store cattle during the first quarter of 2015 accounted for 28 per cent of the total imports of male store cattle during 2015 however with the level of imports notably lower during the first quarter of 2016 it would indicate a possible overall decline for the year as a whole.

The strengthening of euro against sterling during 2016 to date will have been an influential factor in the decline in imports from ROI for further production on NI farms. With a stronger euro store cattle in ROI have become relatively more expensive in sterling terms and therefore making them less attractive for NI cattle finishers. It is also important that anyone considering importing cattle for further production is aware of the potential for significant penalties to be applied to these mixed origin cattle at point of slaughter reflecting their lower end market value.

While cattle that are imported from ROI for further finishing on NI farms can achieve Farm Quality Assured status, provided that the required 90 days residency on an FQAS farm is completed, they cannot qualify for Red Tractor assured status which is a requirement of trade with many of the major GB multiples. This therefore makes market outlets for these types of cattle much more limited.

While processors can still market these types of animals they will do so at a price that may be below that of UK born animals. It is therefore important that producers have consulted the processors and organised an outlet for these animals prior to purchase to avoid significant penalties further down the line.

Figure 1: Prime cattle imports from ROI into NI for direct slaughter

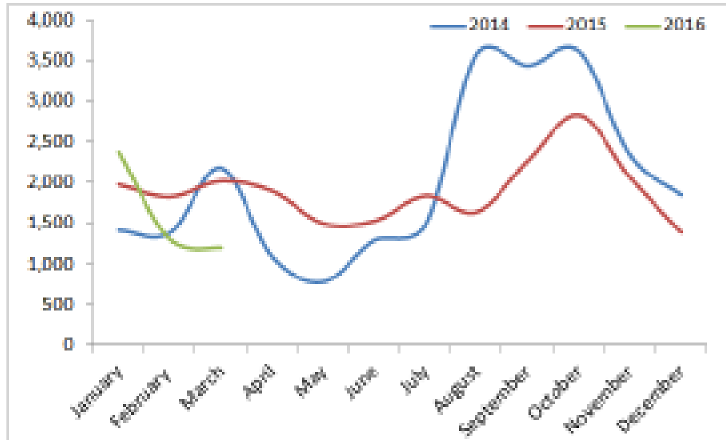
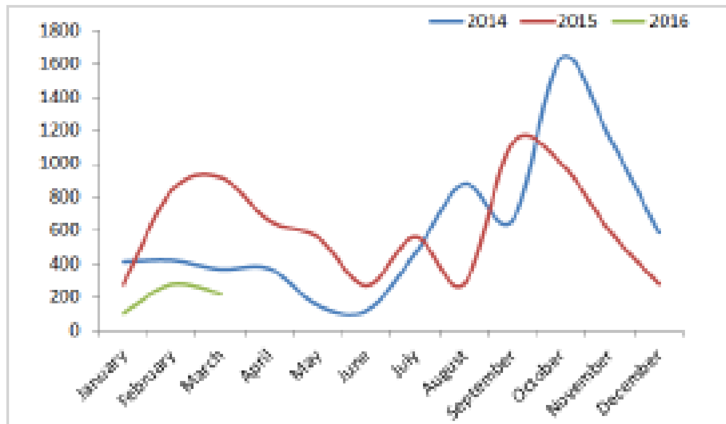


Figure 2: Prime cattle imports from ROI into NI for further production



NI R3 HEIFER PRICES FALL BELOW ROI LEVELS

QUOTES from the major NI processors have come under some pressure in recent weeks with reports indicating subdued demand for beef from the major retailers. Reported deadweight prices have followed the same trend although there remains to be a differential between what is being quoted and what is being paid so producers are encouraged to shop around to get the best possible deal.

Table 1 outlines reported farmgate prices in euro terms for R3 grade heifers across the EU for the week ending 27 March 2016. With the Swedish Krona currently trading strongly against the euro Sweden has remained in first position on the league table with an equivalent R3 heifer price of 469.6c/kg. Deadweight cattle prices have also strengthened in Italy in recent week's putting it in second place in the league table with an R3 heifer price of 420.2c/kg in the week ending 27 March 2016, up by 16.3c/kg from the week ending 28 February 2016.

With an equivalent R3 heifer price of 395.4c/kg during the week ending 27 March 2016 NI has moved down one place on the league table into sixth position. The R3 heifer price in NI was back by the equivalent of 2.4c/kg from the week ending 28 February 2016 when it was 397.7c/kg. The differential between NI and the EU average however has remained fairly steady with NI prices 12.7c/kg higher than the EU average during the week ending 27 March 2016.

Meanwhile in GB the R3 heifer price was the equivalent of 418.3c/kg during the week ending 27 March 2016, a decline of 7.9c/kg from the week ending 28 February 2016 when it was 426.2ckg. This has moved it down one position on the league table into third position. The differential in R3 heifer prices between GB and the EU average has narrowed from 41.4c/kg during the week ending 28 February 2016 to 35.6c/kg during the week ending 27 March 2016.

In ROI during the week ending 27 March 2016 the R3 heifer price was 397c/kg, up slightly from the week ending 28 February 2016 when it was 396.8c/kg. This has moved it up one position on the league table to fifth position, just above NI. The R3 heifer price in ROI during the week ending 27 March 2016 was 1.6c/kg higher than the equivalent price in NI. This compares to the NI price being 0.9c/kg higher than the ROI price in the week ending 28 February 2016. The R3 heifer price in ROI during the week ending 27 March 2016 was 14.3c/kg higher than the EU average, a slight increase from the week ending 28 February 2016 when the differential was 12c/kg.

The value of euro against sterling has remained fairly steady over the period tabulated with €1 = 78.8p during the week ending 27 March 2016. With the euro currently trading strongly against sterling it makes UK and NI beef more competitive on EU markets but also makes imports of beef to the UK from euro trading countries such as ROI relatively more expensive.

Table 1: EU Deadweight Cattle Prices - Heifers R3 Equivalent (€ Cents)

Position last Mth	Position this Mth	Country	Price last Mth (w/e 28.02.16)	Price this Mth (w/e 27.03.16)	Change on Mth (cents)
1	1	Sweden	499.4	469.6	-29.9
3	2	Italy	403.9	420.2	+16.3
2	3	Great Britain	426.2	418.3	-7.9
4	4	Luxembourg	400.7	399.9	-0.8
6	5	Ireland	396.8	397.0	+0.2
5	6	Northern Ireland	397.7	395.4	-2.4
7	7	France	394.0	391.0	-3.0
8	8	Spain	376.4	379.8	+3.5
9	9	Denmark	372.7	370.0	-2.7
10	10	Germany	366.2	358.4	-7.8
11	11	Austria	353.5	347.1	-6.3
12	12	Slovenia	337.0	328.6	-8.5
13	13	Belgium	321.0	319.5	-1.5
14	14	Poland	293.8	301.4	+7.5
16	15	Czech Republic	263.2	265.9	+2.7
15	16	Lithuania	282.3	258.1	-24.3
		EU Average	384.8	382.7	-2.1
Euro (€1=)			78.6	78.8	+0.2

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 04/04/16	Next Week 11/04/16
Prime		
U-3	304 - 308p	300 - 306p
R-3	298 - 302p	294 - 300p
O+3	292 - 296p	288 - 294p
P+3	222 - 258p	218 - 256p
	Including bonus where applicable	
Cows		
O+3 & better	218 - 235p	218 - 235p
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 02/04/16	Steers	Heifers	Young Bulls
U3	311.0	313.2	304.3
R3	308.4	309.0	299.5
O+3	300.7	298.7	282.6

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 02/04/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	129.5	140.6	140.8	165.3
P2	145.7	164.5	186.1	197.9
P3	178.6	181.1	202.9	210.4
O3	182.7	202.1	217.7	227.4
O4	-	207.1	221.8	230.1
R3	-	-	-	250.5

Deadweight Cattle Trade

BASE quotes towards the end of this week for in spec U-3 grade prime cattle ranged from 300-306p/kg with the majority of plants quoting 304-306p/kg for both steers and heifers. Quotes for good quality O+3 grade cows remained fairly steady and ranged from 218-235p/kg this week. Similar quotes are expected for all types of cattle early next week.

A total of 5,561 prime cattle were slaughtered in NI plants last week, a decrease of 864 head from the previous week with the reduced kill days during the Easter week. Meanwhile cow throughput in NI has remained steady with 1,322 cows killed in NI last week, almost unchanged from the 1,334 cows killed in the corresponding week in 2015.

Prime cattle imports from ROI for direct slaughter in NI plants have continued to decrease with a total of 130 head imported last week, accounting for two per cent of the total prime cattle kill. A small total of 31 cows were imported from ROI for direct slaughter while 90 prime cattle and 187 cows were exported from NI for direct slaughter in ROI. Exports from NI to GB for direct slaughter last week consisted of 89 prime cattle and 13 cows, compared to 51 prime cattle and 13 cows the previous week.

The average steer price in NI last week increased by almost a penny to 303.5p/kg while the R3 steer price was back by 1.6p/kg to 311.5p/kg. The average heifer price in NI last week decreased by 2.2p/kg to 303.9p/kg while the R3 heifer price was back by 1.9p/kg to 311p/kg. The average cow price in NI last week decreased by 3.2p/kg 204.8p/kg while the O3 cow price was back by 1.6p/kg to 225.7p/kg.

The deadweight cattle trade also came under pressure in GB last week with the average steer price back by 4.4p/kg to 319.2p/kg while the R3 steer price decreased by 2.8p/kg to 326.6p/kg. The most notable decline in R3 steer prices was in Southern England where it was back by 4.2p/kg to 324.9p/kg. The differential in R3 steer prices last week between NI and GB average was 15.1p/kg which is the equivalent of £50 on a 330kg carcase. The average heifer price in GB last week was back by 3.7p/kg to 319.3 while the R3 heifer price decreased by 3.8p/kg to 327.3p/kg. The most notable decline in R3 heifer prices was also in Southern England where it was back by 5.6p/kg to 324.9p/kg. The differential in R3 heifer prices last week between NI and GB average was 16.3p/kg which is the equivalent of £54 on a 330kg carcase.

Deadweight prices for prime cattle in ROI held steady in euro terms last week although a strengthening in the value of euro against sterling has increased prices in sterling terms. The R3 steer price increased by the equivalent of 2.5p/kg to 303.6p/kg while the R3 heifer price was up by 1.8p/kg to 316.3p/kg. The O3 cow price in ROI last week recorded an increase of 1.2p/kg to 245.1p/kg which is 19.4p/kg higher than the equivalent price in NI. Reports from ROI have indicated a tightening in supplies of prime cattle with throughput last week totalling 22,812 head.

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

W/E 02/04/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	312.2	310.5	333.8	331.1	332.3	336.2	332.8
	R3	311.5	303.6	328.6	325.7	326.6	324.9	326.6
	R4	312.6	304.9	330.6	336.7	324.4	320.6	330.6
	O3	298.3	290.2	302.9	294.2	294.7	295.7	297.0
	AVG	303.5	-	327.8	322.8	315.6	305.4	319.2
Heifers	U3	314.2	327.3	341.6	340.1	337.6	333.0	338.8
	R3	311.0	316.3	330.1	325.7	327.7	324.9	327.3
	R4	307.6	316.1	330.6	329.1	327.6	321.0	327.8
	O3	299.5	301.8	301.1	296.9	295.5	294.0	297.0
	AVG	303.9	-	328.5	322.4	314.8	305.3	319.3
Young Bulls	U3	303.8	299.8	332.5	319.6	330.5	328.0	326.7
	R3	299.8	292.9	320.4	313.2	315.7	322.9	316.5
	O3	285.4	279.5	279.9	261.7	279.8	286.0	275.4
	AVG	286.9	-	306.3	286.7	295.9	288.2	293.5
Prime Cattle Price Reported		4870	-	6215	6792	4563	4010	21580
Cows	O3	225.7	245.1	223.9	225.3	224.1	212.3	222.3
	O4	229.4	245.9	231.6	224.2	227.2	212.0	223.8
	P2	185.0	216.3	172.1	191.8	175.0	157.3	174.3
	P3	207.1	237.8	194.6	203.5	192.4	187.2	193.7
	AVG	204.8	-	211.5	205.9	189.9	180.1	194.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=79.02p 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

	1st QUALITY			2nd QUALITY		
W/E 02/04/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	180	188	183	160	179	170
Friesians	140	148	143	102	134	124
Heifers	180	199	186	167	179	173
Beef Cows	128	177	140	100	127	115
Dairy Cows	99	116	106	65	98	81
Store Cattle (p/kg)						
Bullocks up to 400kg	No Sale					
Bullocks 400kg - 500kg						
Bullocks over 500kg						
Heifers up to 450kg						
Heifers over 450kg						
Dropped Calves (£/head)						
Continental Bulls	305	355	327	200	300	250
Continental Heifers	235	300	260	120	230	175
Friesian Bulls	120	190	145	40	118	75
Holstein Bulls	80	165	100	10	78	40

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 04/04/16	Next Week 11/04/16
Hoggets	410 - 420p > 22kg	410 - 420p > 22kg
Spring Lambs	450 - 460p > 21kg	460p > 21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 19/03/16	W/E 26/03/16	W/E 02/04/16
NI Hoggets L/W	377.1	380.2	375.0
NI Hoggets D/W	412.0	414.4	408.8
GB Hoggets D/W	435.0	433.5	427.5
ROI D/W	421.7	423.4	423.3

Deadweight Sheep Trade

QUOTES from the major NI processors for R3 grade hoggets this week ranged from 410-420p/kg up to 22kg while quotes for spring lambs ranged from 450-460p/kg up to 21kg. Similar quotes are expected for early next week. The plants have reported a reduction in the number of hoggets coming forward for slaughter. Total throughput last week of hoggets and lambs was 3,432 head, a decline of 1,205 head from the 4,637 hoggets and lambs killed in NI the previous week. A total of 6,373 sheep were exported from NI to ROI for direct slaughter last week compared to 5,749 sheep the previous week. The average deadweight hogget price in NI last week decreased by 5.6p/kg to 408.8p/kg while in ROI the deadweight hogget price remained almost unchanged at the equivalent of 423.3p/kg.

This week's marts

A relatively steady trade was reported across the marts this week with most marts indicating a tightening in the numbers passing through the sale rings. In Rathfriland on Tuesday 402 hoggets sold from 378-419p/kg compared to 422 hoggets last week selling from 346-388p/kg. In Ballymena this week 852 hoggets sold from 350-447p/kg compared to 904 hoggets last week selling from 345-419p/kg. In Markethill this week 700 hoggets sold from 360-405p/kg compared to 600 hoggets last week selling from 350-392p/kg. Small numbers of spring lambs passed through some of the marts this week with reported prices ranging from 380-531p/kg. A firm trade has been reported for good quality ewes this week with top prices of over £140 for well fleshed ewes in several of the marts.

LATEST SHEEP MARTS

From: 01/04/16		Hoggets (P/KG LW)				Spring Lambs (P/KG LW)			
To: 07/04/16		No	From	To	Avg	No	From	To	Avg
Friday	Newtownstewart	160	330	384	-	35	413	427	-
Saturday	Omagh	679	369	418	-	25	424	453	-
	Swatragh	825	362	381	-	45	400	465	-
Monday	Kilrea	300	368	385	-	140	426	474	-
	Massereene	472	370	410	-	50	445	460	-
Tuesday	Saintfield	330	357	392	-	-	-	-	-
	Rathfriland	402	378	419	384	64	477	531	480
Wednesday	Ballymena	852	350	447	375	107	380	510	420
	Enniskillen	683	380	428	389	-	-	-	-
	Markethill	700	360	405	375	-	-	-	-
	Armoy	244	364	420	385	-	-	-	-

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