LMC BULLETIN

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DECLINE IN STORE CATTLE PRICES

INDUSTRY reports have indicated a quieter trade for store cattle across the NI marts in recent weeks. The wet weather conditions have delayed cattle turnout to grass on many farms across NI which will have impacted on the live cattle trade around the rings.

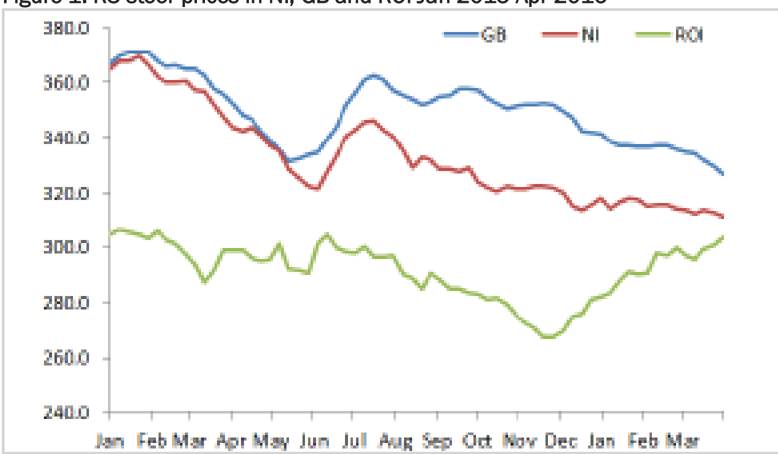
The recent pressure on deadweight cattle prices in NI will also have undermined the confidence of many cattle finishers and this is being reflected in the prices they are willing to pay for store cattle. The pressure on deadweight prices has also been reflected in declines in store cattle prices in GB.

Deadweight cattle prices in both NI and GB have gradually declined from July 2015 with an R3 steer price in NI last week of 309.1p/kg and 323.8p/kg in GB. In the corresponding week in 2015 the R3 steer price in NI was 342.5p/kg while the R3 steer price in GB was 348.5p/kg. This represents a decline in R3 steer prices of ten per cent in NI and seven per cent in GB.

Meanwhile a strengthening in the value of euro against sterling has increased R3 steer prices in ROI in sterling terms with an R3 steer price of 310.2p/kg last week. This was 11.3p/kg higher than the corresponding week last year when the R3 steer price was the equivalent of 298.9p/kg and has narrowed the differential between NI and ROI to 1.1p/kg.

The prices being paid for store cattle across the NI marts will also have been impacted by the increased availability of store cattle on the market. Figure 2 provides a breakdown of beef sired cattle on NI farms at the end of March from 2014-2016. An increase in the number of beef sired calves being registered on NI farms during the last 18 months has led to increased numbers of store cattle now on NI farms.

Figure 1: R3 steer prices in NI, GB and ROi Jan 2015-Apr 2016



The number of cattle in the 6-12 month age category in March 2016 totalled 177,184 head, a 5.2 per cent increase from March 2015 levels and 11.6 per cent higher than March 2014 levels. Meanwhile the number of beef sired cattle in the 12-18 month age category in March 2016 totalled 156,660 head, a 12.4 per cent increase on March 2015 levels and 8.63 per cent higher than March 2014 levels.

With sterling trading strongly against euro during much of 2015 and early 2016 there was a notable decline in the number of dairy bull calves exported out of NI for further production. This has led to an increase in the number of dairy sired male cattle on NI farms year on year. During March 2016 there were 23,320 dairy sired male cattle aged 6-12 months on NI farms, a 21.5 per cent increase from 2015 levels. Meanwhile there were 24,018 dairy sired male cattle on NI farms aged 12-18 months during March 2016, a 16.3 per cent increase from 2015 levels.

Figure 3 displays average liveweight prices for 300-400kg steers across a selection of NI marts from January 2015 to April 2016. As indicated in the chart the prices paid for steers in this weight range have been below year earlier levels for 2016 to date. While there are variations between marts and the quality of cattle on offer in any particular sale the average reported price paid for 300-400kg steers during 2016 to date was £721 compared to £785 during the corresponding period in 2015. This decline by £64 per head represents an 8.2 per cent reduction year on year.

Figure 2: Beef sired cattle on NI farms March 2014-2016 by age category

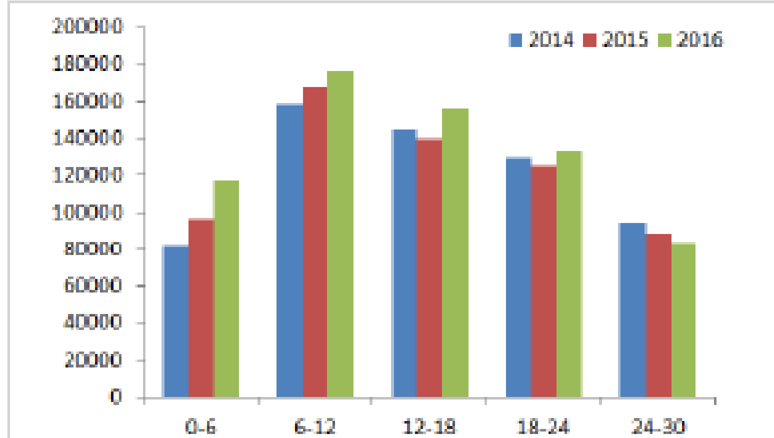
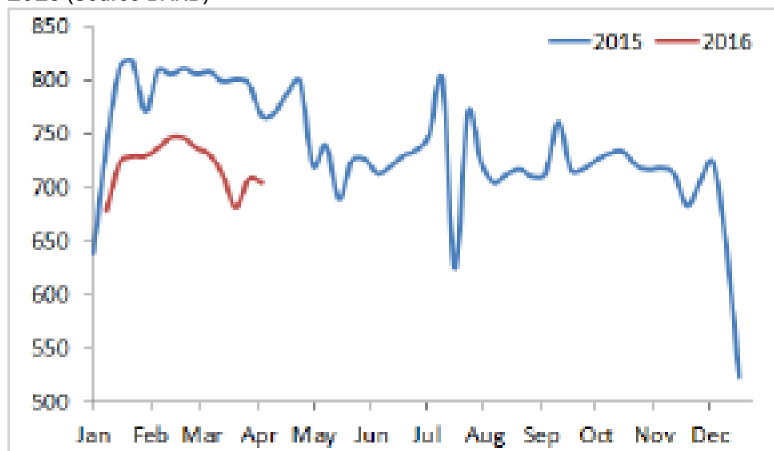


Figure 3: Average liveweight prices for 300-400kg steers in NI Jan 2015-April 2016 (Source DARD)



PRIME CATTLE CONFORMATION UPDATE QUARTER 1 2016

ANALYSIS of the conformation scores for the prime cattle kill in NI has indicated that there has been no significant change in the conformation of steers and heifers during the first quarter of 2016 when compared with the corresponding period in 2015.

Steers

The proportion of steers achieving a U grade in the 2016 period was almost unchanged compared to year earlier levels at 20.9 per cent while the proportion awarded an R grade decreased by 0.7 percentage points to account for 38.7 per cent of the price reported steer kill. O grade steers accounted for 30.6 per cent of the NI steer kill during quarter one of 2016 with P grades accounting for a further 9.4 per cent. These are broadly similar to year earlier levels.

An increase in the number of young bulls being presented for slaughter in NI has resulted in a slight increase in the proportion of young bulls in the NI slaughter mix during the first quarter of 2016 compared to the same period in 2015. As a result the proportion of steers has decreased from 53 per cent of the total prime kill in the 2015 period to 51 per cent in the 2016 period.

While there have been changes to the number of steers in the slaughter mix year on year there has also been a change to the dairy/suckler slaughter mix. In the 2016 period 39 per cent of the price reported steer kill were sourced from the dairy herd compared to 36 per cent in the 2015 period. Although there has been a slight increase in the dairy influence in the NI steer kill the average price reported steer carcase weight has increased between the two periods. During the 2015 period the average price reported steer carcase weight was 350kg and this increased to 358kg during the 2016 period. The average price reported suckler origin steer carcase weight increased by 7kg from 366kg to 373kg between the two periods while dairy origin carcases have increased by 8kg from 325kg to 333kg.

Heifers

During quarter one 2016 U grading heifers accounted for 21.9 per cent of the NI heifer kill, a 0.5 percentage point increase on the same period in 2015. The proportion of heifers awarded a an R grade in quarter one 2016 was back by 1.2 percentage points to 49.7 per cent while the proportion awarded an O grade was also back slightly to account for 23.2 per cent of the price reported heifer kill. Meanwhile the proportion of heifers awarded a P grade increased by 0.8 percentage points year on year to account for 4.9 per cent of the heifer kill in the 2016 period.

In the first quarter of 2016 38 per cent of the total prime cattle kill were heifers, down one percentage point from the corresponding period in 2015. The average heifer carcase weight has also recorded an increase year on year. In the first quarter of 2015 the average price reported carcase weight was 319kg and by the first quarter of 2016 this had increased to 324kg.

Young bulls

As discussed there has been a slight increase in the NI young bull kill. In the first quarter of 2016 11 per cent of the total NI prime cattle kill were young bulls compared to nine per cent in the corresponding period in 2015. Due to the increased penalties for young bulls aged over 16 months at point of slaughter the number of young bulls slaughtered under 16 months of age has notably increased.

During the first quarter of 2016 the young bull kill has recorded the most notable change in terms of conformation scores. O grading young bulls accounted for 46.6 per cent of the NI young bull kill during teh 2016 period, a 5.3 percentage point increase on the corresponding period in 2015. Meanwhile P grading carcases accounted for 22.8 per cent (-4.4 percentage points), R grades accounted for 16.1 per cent (-1.4 percentage points) and U grades accounted for 13.2 per cent (+0.5 percentage points).

There have also been changes to the dairy/suckler balance in the young bull kill (including veal and rose veal). In the 2016 period 71 per cent of the price reported young bull kill were of dairy origin, a three percentage point increase from the corresponding period in 2015. The increased dairy influence on the young bull kill will have been a key factor behind the general downward movement in conformation scores.

WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 11/04/16	Next Week 18/04/16
Prime		
U-3	300 - 306p	300 - 306p
R-3	294 - 300p	294 - 300p
O+3	288 - 294p	288 - 294p
P+3	218 - 256p	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 09/04/16	Steers	Heifers	Young Bulls
U3	309.8	313.8	303.3
R3	306.8	308.1	296.7
O+3	297.5	300.1	296.7

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 09/04/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	129.6	138.2	143.8	154.0
P2	146.1	165.7	187.7	198.8
P3	157.3	189.5	204.0	211.2
O3	201.0	-	215.9	227.2
O4	-	191.0	214.1	229.7
R3	-	-	-	248.4

Deadweight Cattle Trade

THE deadweight cattle trade remains under some pressure in NI with base quotes this week for in spec U-3 grade prime cattle ranging from 300-306p/kg with the majority of plants quoting in the region of 304-306p/kg. Quotes for good quality O+3 grade cows remained fairly steady at 218-235p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

The major NI processors have reported steady supplies of prime cattle to meet demand for beef with a total of 6,409 prime cattle slaughtered in NI last week. Cow throughput in NI has remained strong with 1,662 cows killed in NI plants last week. Imports of prime cattle from ROI for direct slaughter in NI plants have continued to decrease with a total of 126 head imported last week, accounting for two per cent of the total NI prime cattle kill. Meanwhile 64 prime cattle and 315 cows were exported from NI for direct slaughter in ROI plants, an increase from the 187 cows exported to ROI the previous week. Exports from NI for direct slaughter in GB last week consisted of 76 prime cattle and 7 cows, compared to 89 prime cattle and 13 cows exported during the previous week.

Deadweight prices for prime cattle came under pressure in NI last week with the average reported steer price back by 3.7p/kg to 299.8p/kg while the R3 steer price decreased by 2.4p/kg to 309.1p/kg. The average heifer price in NI last week was back by 1.2p/kg to 302.7p/kg while the R3 heifer price decreased by 1.6p/kg to 309.4p/kg. There was however a firming in the NI cow trade last week with the average reported cow price up by 4.8p/kg to 209.6p/kg while the O3 cow price increase by almost a penny to 226.5p/kg.

Deadweight prices for prime cattle have also come under some pressure in GB with the average steer price last week back by 2.2p/kg to 317p/kg and the R3 steer price back by 2.8p/kg to 323.8p/kg. This puts the differential in R3 steer prices last week between NI and GB average at 14.7p/kg which is the equivalent of £49 on a 330kg carcase. R3 steer prices in the Midlands and Wales declined by 5.7p/kg last week while there was a decrease of 4.3p/kg in the R3 steer price in Southern England, 1p/kg in Scotland and an increase of 1.3p/kg in Northern England. The average heifer price in GB last week was back marginally to 318.9p/kg while the average R3 heifer price decreased by 2.5p/kg to 324.8p/kg. The differential in R3 heifer prices last week between NI and GB average was 15.4p/kg which is the equivalent of £51 on a 330kg carcase.

A strengthening in euro against sterling has increased deadweight prices in ROI in sterling terms with prices also increasing slightly in euro terms. The R3 steer price in ROI last week was the equivalent of 310.2p/kg, up by 6.6p/kg from the previous week while the R3 heifer price was up by 6.4p/kg to 322.7p/kg. The O3 cow price in ROI last week recorded an increase of 5.9p/kg to 251p/kg which is 24.5p/kg higher than the equivalent price in NI.

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

W/E 09/04/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	309.7	317.8	330.0	329.9	327.4	326.8	328.6
	R3	309.1	310.2	327.6	327.0	320.9	320.6	323.8
	R4	306.3	310.1	329.3	333.4	320.4	318.3	327.5
	O3	294.8	295.9	301.9	299.9	288.7	294.8	296.7
	AVG	299.8	-	325.6	321.6	311.0	305.7	317.0
Heifers	U3	314.1	334.9	338.1	335.8	331.4	332.8	334.7
	R3	309.4	322.7	331.0	323.3	323.6	320.1	324.8
	R4	306.8	322.4	330.9	328.9	324.3	318.6	326.9
	O3	297.1	307.0	299.0	297.5	284.2	301.4	296.5
	AVG	302.7	-	327.7	321.4	312.9	307.1	318.9
Young Bulls	U3	303.3	307.7	329.1	318.7	329.6	325.9	325.9
	R3	296.9	299.8	317.1	304.7	314.2	312.0	311.5
	O3	286.7	285.3	283.3	263.7	279.4	291.3	276.8
	AVG	284.4	-	289.7	286.3	297.1	292.4	291.3
Prime Cattle Price Reported		5660	-	6864	7304	5066	4543	23777
Cows	O3	226.5	251.0	228.7	220.6	221.1	207.5	219.8
	O4	228.8	252.0	232.7	225.9	222.9	213.3	223.3
	P2	186.9	221.9	175.6	183.9	173.5	160.3	172.5
	P3	207.8	243.1	201.0	198.1	192.7	182.7	192.0
	AVG	209.6	-	218.3	204.4	191.0	176.6	194.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=80.43p 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 09/04/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	178	190	183	163	177	170
Friesians	117	131	124	115	117	116
Heifers	180	194	185	160	179	170
Beef Cows	128	158	138	100	127	110
Dairy Cows	100	119	107	65	99	80
Store Cattle (p/kg)						
Bullocks up to 400kg	215	243	225	180	214	195
Bullocks 400kg - 500kg	202	225	210	170	200	180
Bullocks over 500kg	180	196	185	160	179	170
Heifers up to 450kg	190	214	200	170	189	180
Heifers over 450kg	180	200	188	160	179	170
Dropped Calves (£/head)						
Continental Bulls	280	370	325	180	278	230
Continental Heifers	235	360	285	100	230	165
Friesian Bulls	100	200	140	40	98	66
Holstein Bulls	60	120	75	5	58	30

SHEEP TRADE

Deadweight Sheep Trade

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 11/04/16	Next Week 18/04/16
Hoggets	410 - 420p > 22kg	420-425>22kg
Spring Lambs	460 > 21kg	450-465>21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 26/03/16	W/E 02/04/16	W/E 09/04/16
NI Hoggets L/W	380.2	375.0	378.9
NI Hoggets D/W	414.4	408.8	420.4
GB Hoggets D/W	433.5	427.5	427.1
ROI D/W	423.4	423.3	431.0

Deadweight Sheep Trade

THE deadweight sheep trade remained firm this week with quotes for R3 grade hoggets at the end of the week ranging from 420-425p/kg up to 22kg while quotes for spring lambs were at 450-465p/kg up to 21kg. Similar quotes are expected for early next week. Throughput of lambs/hoggets in the NI plants last week totalled 4,054 head, an increase of 622 head from the previous week. Meanwhile exports of sheep to ROI for direct slaughter last week totalled 5,589 head compared to 6,373 head the previous week. The average deadweight hogget price in NI last week increased by 11.6p/kg to 420.4p/kg while the deadweight hogget price in ROI increased by the equivalent of 7.7p/kg to 431p/kg.

This week's marts

A good trade was reported across the marts this week with smaller numbers passing through the sale rings when compared to previous weeks. In Omagh last Saturday 508 hoggets sold from 382-431p/kg compared to 679 hoggets the previous week selling from 369-418p/kg. In Rathfriland on Tuesday 400 hoggets sold from 359-439p/kg compared to 402 hoggets last week selling from 378-419p/kg. The number of spring lambs passing through the sale rings has started to increase with 212 lambs in Rathfriland this week selling to an average of 439p/kg compared to 64 lambs the previous week selling to an average of 480p/kg. In Ballymena this week 100 spring lambs sold to an average of 417p/kg compared to an average price last week of 420p/kg. The ewe trade remained steady with top reported prices this week generally ranging from £100-125.

LATEST SHEEP MARTS

From: 08/04/16		Hoggets (P/KG LW)				Spring Lambs (P/KG LW)			
To: 14/04/16		No	From	To	Avg	No	From	To	Avg
Friday	Newtownstewart	-	-	-	-	60	420	462	-
Saturday	Omagh	508	382	431	-	56	426	474	-
	Swatragh	875	369	394	-	50	425	450	-
Monday	Kilrea	200	365	404	-	150	409	447	-
	Massereene	541	375	434	-	106	435	464	-
Tuesday	Saintfield	280	360	387	-	50	409	445	
	Rathfriland	400	359	439	376	212	417	462	439
Wednesday	Ballymena	707	320	409	365	100	370	470	417
	Enniskillen	580	372	430	392	-	-	-	-
	Markethill	450	360	418	375	-	-	-	-
	Armoy	419	354	410	380	-	-	-	-

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