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STEER KILL YOUNGER AND HEAVIER

TO maximise returns from their beef enterprises NI beef producers are encouraged to present prime cattle for slaughter that meet current market specifications. A key aspect of current market requirements is that prime cattle should be under 30 months at point of slaughter, although there are some very limited markets outlets for prime cattle aged under 36 months.

During the period April-June 2016 the average age at slaughter of price reported steers in NI was 24.7 months (768 days) compared to 25.1 months (778 days) in the corresponding period in 2015. Despite this 10 day reduction in the average age at slaughter the average carcase weight recorded an increase from 351kg in the 2015 period to 354kg in the 2016 period.

During the 2016 period 91 per cent of the price reported steer kill were aged under 30 months, this was an increase from 87 per cent in the 2015 period. Meanwhile the proportion of steers aged between 30 and 36 months at point of slaughter declined from 11 per cent in the 2015 period to 8 per cent in the 2016 period.

Figure 1 provides a breakdown of the price reported NI steer kill during the three month period April-June 2016 and the corresponding period in 2015. The average age at slaughter for steers in NI peaked at 24 months during both periods outlined on the chart before steadily declining. Steers aged between 22 and 27 months of age accounted for 61 per cent of price reported steers during the 2016 period, an increase from 58 per cent during the 2015 period. In both 2015 and 2016 the number of steers killed at each age records a steady decline after 24 months however there is an increase recorded in teh number killed at 29 months as producers kill cattle before they reach the 30 month deadline. The number killed at each age then continues its steady decline with a slight increase recorded at 35 months in response to the 36 month deadline.

The average age of suckler origin steers killed during April-June 2016 was 24.1 months (748 days), a reduction from 24.5 months (760 days) in the 2015 period. Despite suckler origin steers being slaughtered 12 days earlier the average carcase weight recorded a 3kg increase year on year. Suckler origin steers accounted for 61 per cent of all price reported steers during the 2016 period compared to 63 per cent during the 2015 period. During the 2016 period 93 per cent of suckler origin steers were slaughtered under 30 months of age compared to 89 per cent in the 2015 period.

The NI dairy herd continues to act as a valuable source of beef cross calves for NI beef finishers, with beef cross steers from the dairy herd accounting for 23 per cent of the price reported steer kill from April-June 2016. This was an increase from 19 per cent in the corresponding period in 2015. The average age at slaughter of beef cross steers during the 2016 period was 25.2 months (781 days) compared to 25.6 months (792 days) in the 2015 period. This reduction in slaughter age by eleven days coincided with a 2kg increase in the average carcase weight from 338kg in the 2015 period to 340kg in the 2016 period. The proportion of beef cross steers slaughtered at under 30 months increased from 88 per cent in the 2015 period to 91 per cent in the 2016 period.

Dairy sired male calves also provide a source of raw material for the NI beef industry and accounted for 16 per cent of price reported steers during April-June 2016. The average age at slaughter of dairy sired steers was unchanged between the two periods at 26.7 months (825 days) although the average carcase weight increased from 308kg in the 2015 period to 311kg in the 2016 period. During the 2016 period 83 per cent of dairy origin steers were slaughtered under 30 months of age, an increase from 2015 when 80 per cent of dairy sired steers met the under 30 month requirement.

Figure 1: NI steer kill by age at slaughter (months) April-June 2015 and 2016

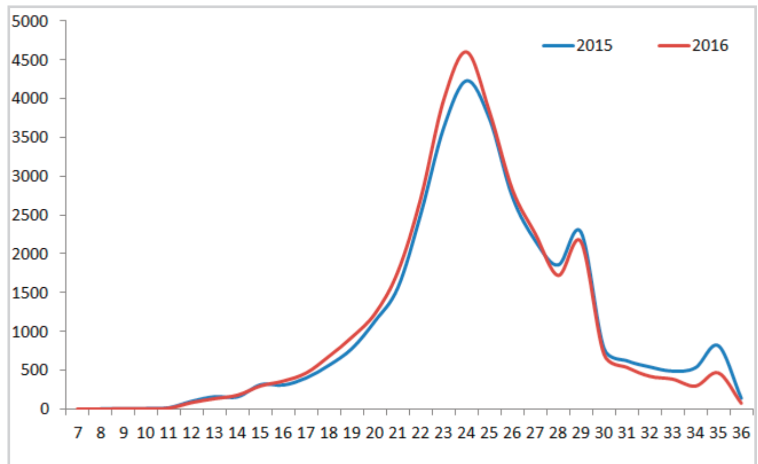
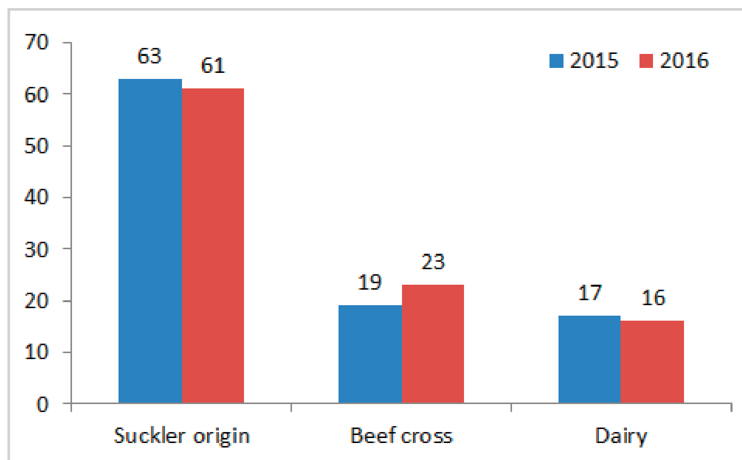


Figure 2: NI steer kill by source April-June 2015 and 2016



IMPORTS FROM ROI DECLINE DURING 2016

DURING the twelve week period ending 16 July 2016 1,230 prime cattle were imported from ROI for direct slaughter in NI plants, accounting for two per cent of total prime cattle throughput. This was a decline from the corresponding period in 2015 when 5,097 prime cattle were imported from ROI for direct slaughter when imports from ROI accounted for eight per cent of NI prime cattle slaughterings.

Figure 3 outlines the monthly imports of prime cattle from ROI to NI for direct slaughter from 2014 to 2016. During the first half of 2016 the level of import has been notably lower than the corresponding period in 2015 with imports of prime cattle from ROI for direct slaughter totalling 358 head during June 2016, accounting for one per cent of the total NI prime cattle kill. In comparison, imports of prime cattle from ROI during June 2015 totalled 1,528 head which accounted for eight per cent of the total NI prime cattle kill.

A key factor behind the decline in imports has been the strengthening of the euro against sterling. With the euro currently trading strongly against sterling, finished cattle in ROI have become relatively more expensive for NI processors. Imports of prime cattle from ROI for direct slaughter in local plants generally peak in the autumn months as the number of cattle coming available for slaughter increases. However with current levels of imports running lower than previous years and with the euro currently trading strongly against sterling it remains to be seen what level of imports will be recorded this year. Another factor behind the declining level of imports during 2016 to date has been the steady supplies of NI origin prime cattle available to meet demand for beef which has resulted in less demand for prime cattle imported from ROI.

Further production

Figure 4 outlines the monthly imports of male prime cattle from ROI to NI for further production from 2014 to 2016. As indicated, imports into NI for further production during the first half of 2016 are notably below import levels during the corresponding period in 2015. A total of 1,145 male store cattle were imported from ROI for further production on NI farms during the first six months of 2016, a decline from 3,520 head imported during the same period in 2015. During June 2016 total imports of prime cattle from ROI for further production totalled 126 head compared to 269 head during June 2015. If this trend of lower imports for further production continues into the second half of 2016 it would indicate a notable decline from previous years.

As with imports for direct slaughter, 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 also become relatively more expensive in sterling terms therefore making them less attractive for NI cattle finishers. It is 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.

Figure 3: Prime cattle imports from ROI into NI for direct slaughter

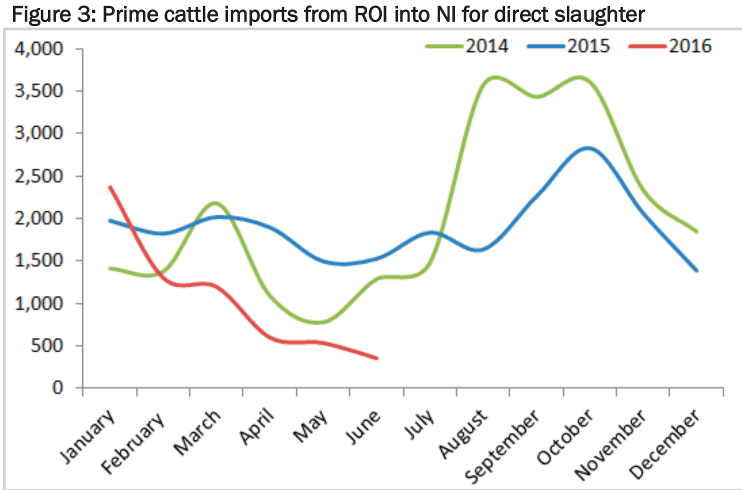
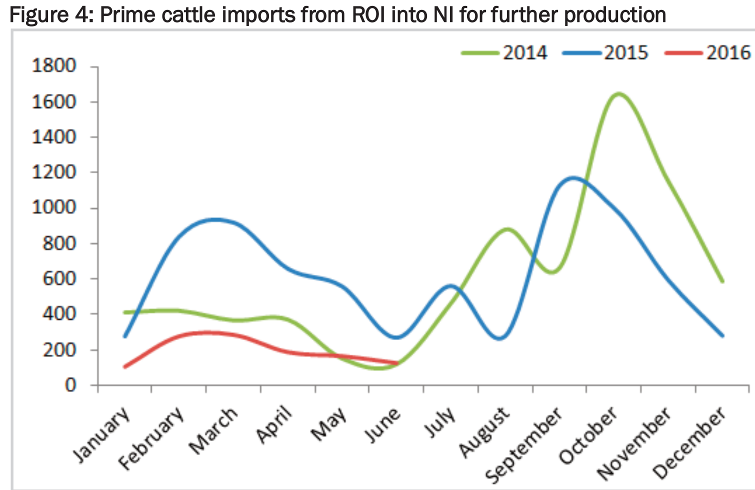


Figure 4: Prime cattle imports from ROI into NI for further production



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 18/07/16	Next Week 25/07/16
Prime		
U-3	324 - 326p	322 - 326p
R-3	318 - 320p	316 - 320p
O+3	312 - 314p	310 - 314p
P+3	260 - 276p	260 - 276p
	Including bonus where applicable	
Cows		
O+3 & better	238 - 245p	232 - 245p
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 COW PRICES NI - P/KG

w/e 16/07/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	151.1	160.7	170.7	177.0
P2	173.9	184.8	205.6	220.7
P3	175.4	209.7	224.5	232.7
O3	-	217.6	238.6	248.0
O4	-	216.0	239.0	250.5
R3	-	-	-	263.9

REPORTED NI CATTLE PRICES - P/KG

W/E 16/07/16	Steers	Heifers	Young Bulls
U3	331.4	337.3	327.6
R3	329.7	329.8	323.5
O+3	321.0	318.6	313.6

*Prices exclude AA, HER and Organic cattle

Deadweight Cattle Trade

QUOTES from the major NI processing plants for prime cattle remained steady this week with 324-326p/kg available for both steers and heifers. Reports have indicated that higher quotes are available so producers are encouraged to shop around to get the best possible deal. Quotes for good quality O+3 grade cows also remained steady ranging from 238-245p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week was back due to the reduced working week in some of the major processing plants with a total of 4,131 head slaughtered locally. Reports have indicated that current supplies of prime cattle are meeting demands for beef. Cow throughput in NI last week also recorded a reduction with a total of 1,358 head killed locally, a decrease of 696 from the previous week.

Imports of prime cattle from ROI for direct slaughter in NI totalled 57 head last week which accounted for one per cent of the total NI prime cattle kill. In the corresponding week in 2015, 427 prime cattle were imported from ROI for direct slaughter in NI plants and accounted for nine per cent of the total NI prime cattle kill. Meanwhile exports from NI to ROI for direct slaughter last week consisted of two prime cattle and 74 cows which was a notable reduction from the 91 prime cattle and 256 cows exported to ROI the previous week. A further 72 prime cattle were also exported from NI to GB for direct slaughter last week.

The deadweight trade for prime cattle generally improved last week with the average steer price up by 4p/kg to 322.9p/kg while the R3 steer price increased by almost a penny to 331.4p/kg. The average heifer price in NI last week was up by 3.6p/kg to 324.4p/kg while the R3 heifer price increased by 1.3p/kg to 331.1p/kg. The deadweight trade also improved for cows last week with the average cow price recording an increase of 7p/kg to 231.7p/kg while the O3 cow price was up by 3.3p/kg to 246.6p/kg.

In GB last week the average steer price was up by 2.7p/kg to 332.5p/kg while the R3 steer price increased by 3p/kg to 342p/kg. The differential in R3 steer prices last week between NI and GB was 10.6p/kg which is the equivalent of £35 on a 330kg carcase. The average heifer price in GB last week was up by 2.3p/kg to 334.8p/kg while the R3 heifer price increased marginally to 341.2p/kg. This puts the differential in R3 heifer prices last week between NI and GB at 10.1p/kg which is the equivalent of £33 on a 330kg carcase.

In ROI last week a decline in deadweight prices combined with a decrease in the strength of euro against sterling meant reported prices for both prime cattle and cows were back in sterling terms. The R3 steer price in ROI last week was back by 6.6p/kg to 321.5p/kg while the R3 heifer price in ROI was back by 7.4p/kg to 332.5p/kg. The O3 cow price in ROI last week recorded a decrease of 6.3p/kg to 245.3p/kg which puts it 1.3p/kg below the O3 cow price in NI and 0.6p/kg above the O3 cow price in GB.

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

W/E 16/07/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	332.2	329.0	354.8	339.6	342.8	346.0	345.7
	R3	331.4	321.5	355.1	337.5	335.5	339.9	342.0
	R4	330.8	322.5	357.8	341.7	335.2	339.9	344.4
	O3	320.5	307.6	334.9	310.0	309.8	312.9	317.1
	AVG	322.9	-	351.8	331.6	321.4	321.7	332.5
Heifers	U3	337.3	344.6	365.4	344.7	349.1	353.0	353.0
	R3	331.1	332.5	351.9	335.4	336.4	339.5	341.2
	R4	329.3	331.9	355.7	337.9	335.0	336.7	341.9
	O3	322.8	316.1	329.5	306.7	311.6	313.5	315.9
	AVG	324.4	-	352.5	331.6	325.8	325.6	334.8
Young Bulls	U3	327.9	330.1	353.3	331.3	337.5	342.8	339.2
	R3	323.5	323.1	343.8	319.2	329.5	336.4	330.6
	O3	307.8	303.8	302.5	280.1	292.5	298.2	291.9
	AVG	315.0	-	342.5	311.7	314.4	320.0	319.5
Prime Cattle Price Reported		5212	-	6272	6272	6272	6272	6272
Cows	O3	246.6	245.3	255.0	240.0	247.2	240.8	244.7
	O4	249.6	247.6	258.8	239.6	243.4	238.6	243.4
	P2	207.6	227.0	207.3	194.5	201.7	196.4	199.6
	P3	229.8	240.3	223.8	215.2	214.6	218.5	216.5
	AVG	231.7	-	242.4	218.8	211.7	204.4	215.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.87p 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

LMC MARKET INFORMATION

LMC'S Market Information Services are designed to support, examine and inform the NI red meat industry. The service aspires to support producers and processors with their decision making by producing accurate and timely information that creates a better understanding of the trade.

LMC is committed to creating an environment where our stakeholders are well-informed whether this is through our Market Information publications, the provision of basic statistics, further analysis of this data or the delivery of information through public events.

LMC encourages all of its stakeholders to utilise the Market Information section of the LMC website which provides a valuable source of statistics relating to beef and sheep meat production. If you require any further information or analysis please contact us directly via email at bulletin@lmcni.com or via telephone at 028 9263 3000.

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 18/07/16	Next Week 25/07/16
Lambs	390-395 > 21kg	395 > 21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 02/07/16	W/E 09/07/16	W/E 16/07/16
NI Lambs L/W	366.9	350.1	363.7
NI Lambs D/W	398.0	393.4	392.7
GB Lambs D/W	409.9	418.8	434.8
ROI D/W	397.9	395.1	398.5

Deadweight Sheep Trade

QUOTES for R3 grade lambs this week remained firm at 390-395p/kg with plants paying up to 21kg. Reports have indicated that strong supplies of lambs coming forward for slaughter although throughput was back to 7,530 head last week due to the reduced working week in some plants. Exports of sheep to ROI for direct slaughter last week totalled 3,931 head compared to 2,297 head in the same week last year. The average deadweight lamb price in NI last week was back marginally to 392.7p/kg while in ROI the average deadweight lamb price last week was up by 3.4p/kg to 398.5p/kg.

This week's marts

A slight strengthening in the trade for lambs was reported from some of the marts this week with strong numbers of lambs passing through the sale rings and reports of firm demand for the lambs on offer. In Omagh last Saturday 662 lambs sold from 357-392p/kg while in Massereene on Monday 760 lambs sold from 360-398p/kg. In Saintfield on Tuesday 766 lambs sold from 348-385p/kg. In Ballymena this week a large entry of 1,274 lambs sold from 340-386p/kg to an average of 355p/kg. In Armoy this week 580 lambs sold from 355-395p/kg to an average of 367p/kg. The ewe trade has remained steady with top prices generally ranging from £84-107 with a top reported price of £125 in Rathfriland on Tuesday.

LATEST SHEEP MARTS

From: 15/07/16		Lambs (P/KG LW)			
To: 21/07/16		No	From	To	Avg
Friday	Newtownstewart	490	360	380	-
Saturday	Omagh	662	357	392	-
	Swatragh	1175	352	380	-
Monday	Massereene	760	360	398	-
	Kilrea	685	354	367	-
Tuesday	Saintfield	766	348	385	-
	Rathfriland	1006	345	385	-
Wednesday	Ballymena	1274	340	386	355
	Enniskillen	486	369	387	-
	Markethill	800	350	392	365
	Armoy	580	355	395	367

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