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IMPORTS FOR DIRECT SLAUGHTER DECLINE

IMPORTS of prime cattle from ROI for direct slaughter in NI plants have been running notably behind the level of import recorded in the previous two years for much of 2016 to date as outlined in Figure 1.

The level of import from ROI to NI for direct slaughter tends to increase in the late summer/early autumn as cattle start to become fit for slaughter off grass but this has failed to materialise during 2016 to date. It remains to be seen if this trend of reduced imports will continue for the remainder of the year.

During the six week period ending 10 September 2016 a total of 703 prime cattle were imported from ROI, accounting for two per cent of the total NI prime cattle kill. This is notably lower than the corresponding period in 2015 when 2,488 prime cattle were imported from ROI and accounted for eight per cent of the total NI prime cattle kill.

A decline in the value of sterling against euro has made finished cattle in ROI relatively more expensive for local processors when compared to previous years and there has been a decline in the level of import as a result. The differential in the value of a 350kg R3 steer carcase between NI and ROI was £152 in the week ending 12 September 2016 and this declined to £97 in the week ending 10 September 2016.

In addition many of the local processors major retail customers will only purchase beef from animals that have been born, reared and finished on UK farms. While the largest majority of NI origin beef is destined for the UK retail market there is therefore a much more limited market outlet for beef finished in ROI and slaughtered in NI.

Another factor behind the decline in the level of import during 2016 to date has been the relatively steady supply of prime cattle from local farms to meet demand for beef. There were reports of tighter prime cattle supplies coming forward for slaughter from local producers during August and early September this year but supplies have improved in the last fortnight.

In addition to this APHIS figures have indicated higher numbers of prime cattle on NI farms in the 18-24 month age category at the end of August 2016 when compared to year earlier levels. This would indicate increased availability of locally produced cattle coming forward for slaughter through to Spring 2017.

However it is worth noting that this increase in local supplies does not necessarily mean that there will be an an increase in the overall prime cattle throughput in local plants if imports of prime cattle for direct slaughter from ROI continue at lower levels than recorded in previous years.

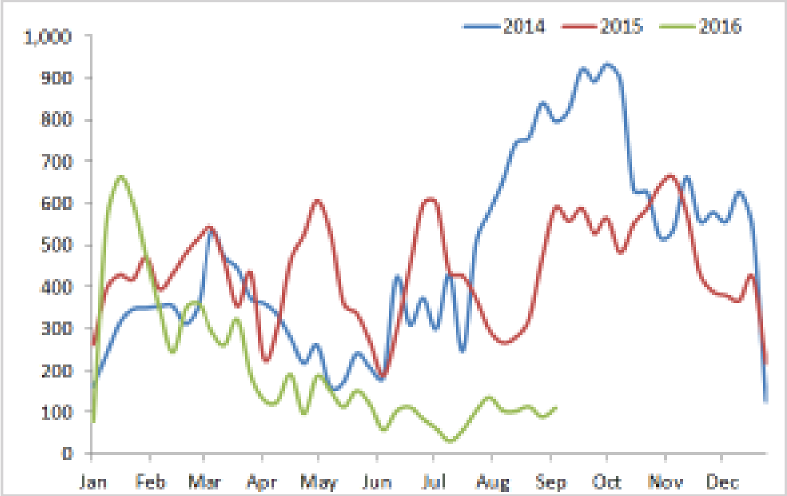
Imports for further production

Imports of prime cattle from ROI for further production on NI farms during 2016 to date have also been notably lower than year earlier levels. During 2016 to date a total of 1,643 male store cattle have been imported compared to 4,734 head imported during the same period in 2015.

The level of import for further production will also have been impacted by the decline in the value of sterling against euro by making ROI origin cattle comparatively more expensive for NI producers than in previous years. Notable deductions at point of slaughter and more limited market outlets for these mixed origin cattle have also made importing cattle for further production less attractive.

It is important that anyone considering importing cattle from ROI for finishing has liaised with local processors to identify a market outlet for the cattle when they are finished. Producers considering this option should also be aware of the potentially lower market value of these animals at point of slaughter.

Figure 1: Weekly imports of prime cattle from ROI for direct slaughter in local plants from January 2014 to September 2016



VOLUME OF UK RETAIL BEEF SALES INCREASES WHILE VALUE DECLINES

RETAIL expenditure on beef in the UK totalled £429.3 million during the twelve week period ending 14 August 2016 according to the latest available data from Kantar Worldpanel. This is a two per cent decline from the corresponding period in 2015 when retail beef sales were valued at £438.1 million.

The volume of retail beef sales totalled 55,768 tonnes during the 12 week period ending 14 August 2016, a 2.2 per cent increase from the corresponding period in 2015 when volume sales totalled 54,567 tonnes.

The average retail price of beef during the 12 week period ending 14 August 2016 was £7.70/kg, back from £8.02/kg during the corresponding 12 week period in 2015. This decline in the average retail price by 32p/kg will have helped to drive the 2.2 per cent increase in the total volume of retail sales.

Household penetration for beef has remained strong with 68 per cent of households surveyed by Kantar purchasing beef during the 12 week period ending 14 August 2016. This was a slight increase from 67.2 per cent during the same period in 2015.

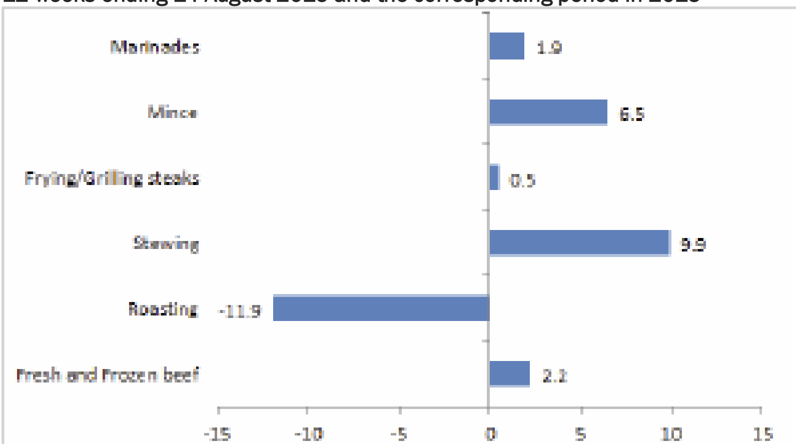
While the total volume of beef sales has increased year on year the volume sales of individual cuts has recorded a mixed performance. The most notable increase in volume sales recorded was for beef stewing meat, up by ten per cent during the 12 weeks ending 14 August 2016 when compared to year earlier levels.

Mince sales also performed strongly during the 2016 period with volume sales up 6.5 per cent from year earlier levels. Meanwhile volume sales of beef marinades increased by 1.9 per cent year on year while sales of frying and grilling steaks recorded a marginal increase year on year. According to the latest Kantar data the only major beef cut that recorded a notable decline in term of volume sales was roasting joints which were back by 11.9 per cent year on year.

Volume sales of processed beef products generally declined with volume sales of frozen pies back by a notable eight per cent from year earlier levels during the twelve weeks ending 14 August 2016. Meanwhile volume sales of pasties were back by 5.7 per cent from year earlier levels while volume sales of chilled ready meals, frozen ready meals and pre packed hot pies all recorded declines in volume sales.

The only processed beef category that recorded an increase in volume sales during the 12 week period ending 14 August 2016 was burgers and grills which recorded a 1.3 per cent increase from year earlier levels.

Figure 2: Percentage change in the volume sales of individual beef cuts during 12 weeks ending 14 August 2016 and the corresponding period in 2015



RETAIL LAMB SALES STRUGGLE IN 2016

THE latest retail sales data from Kantar Worldpanel has indicated declines in both the value and volume of lamb sales in the UK during the 12 week period ending 14 August 2016. Total retail expenditure on lamb during the 12 week period ending 14 August 2016 totalled £123.4 million, a 2.5 per cent decline from the corresponding period in 2015 when retail lamb sales were valued at £126.6 million. Meanwhile the volume of retail lamb sales totalled 13,875 tonnes during the 12 weeks ending 14 August 2016, a 5.2 per cent decrease from 14,636 tonnes sold during the same period in 2015.

Despite the decline in volume sales and the increase in the average retail price household penetration for lamb held steady year on year with 32.4 per cent of households surveyed purchasing lamb during the 12 week period ending 14 August 2016. During the 12 weeks ending 14 August 2016 the average retail price of lamb was £8.89/kg, an increase of 24p/kg from the corresponding period in 2015 when the average retail price was £8.65/kg. This increase in the average retail price of lamb has helped to offset some of the decline recorded in volume sales year on year.

Image 1: Value and volume of UK retail lamb sales declined in the 12 weeks ending 14 August 2016 acording to the latest available Kantar sales data

While the value and volume of retail lamb sales recorded a decline there was some variance in the performance of individual lamb cuts during the 12 weeks ending 14 August 2016 when compared to year earlier levels. Sales of lamb marinades recorded a notable 17 per cent increase year on year while volume sales of lamb chops increased by 5.3 per cent when compared to 2015 levels. Meanwhile volume sales of higher value cuts generally declined with sales of roasting joints back by 14.8 per cent, sales of shoulder roasting joints back by 11.1 per cent and sales of lamb mince back by 13.1 per cent when comparing the 2015 and 2016 periods.

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 12/09/16	Next Week 19/09/16
Prime		
U-3	334 - 338p	334 - 338p
R-3	328 - 332p	328 - 332p
O+3	322 - 326p	322 - 326p
P+3	268 - 282p	268 - 282p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 250p	240 - 250p
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 10/09/16	Steers	Heifers	Young Bulls
U3	342.1	346.5	339.3
R3	340.0	339.3	334.1
O+3	331.8	332.2	326.6

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 10/09/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	159.8	166.3	174.8	194.1
P2	170.8	193.4	208.5	226.0
P3	196.2	217.6	228.6	238.0
O3	-	225.4	245.1	255.2
O4	208.2	-	240.9	256.8
R3	-	-	-	271.7

Deadweight Cattle Trade

QUOTES from the major processors have remained steady with quotes of 334-338p/kg being offered for in spec U-3 grade steers and heifers. Quotes for good quality O+3 cows generally ranged from 240-250p/kg across the plants this week. Similar quotes are expected for early next week.

Reports from the plants have indicated an improvement in the availability of prime cattle for slaughter during the last two weeks. Prime cattle throughput in NI last week totalled 5,727 head, an increase of 260 head from the previous week. Throughput however remains lower than the corresponding week in 2015 when 6,315 prime cattle were slaughtered in local plants. Cow throughput in NI last week also recorded an increase from the previous week with 1,900 head passing through local plants, an increase of 200 head from the previous week. In the same week last year cow throughput totalled 1,650 head.

Imports of prime cattle for direct slaughter from ROI increased to 181 head last week, the highest weekly level of import since late April this year. However the level of import for direct slaughter from ROI remains well below year earlier levels when 558 prime cattle were imported. A total of 79 cows were also imported from ROI for direct slaughter in NI plants last week while 45 prime cattle and 127 cows were exported from NI for direct slaughter in ROI. Exports of prime cattle to GB for direct slaughter increased to 150 head last week, the highest level of export since late February 2016.

The deadweight trade for steers continued to firm with the average steer price in NI last week increasing by 1.7p/kg to 334p/kg while the R3 steer price increased by 3.1p/kg to 344.3p/kg. This is the highest reported R3 steer price since July 2015. The heifer trade came under some pressure in NI last week with the average heifer price back by 2.2p/kg to 334.5p/kg although the R3 heifer price was within half a penny of the previous week at 341.1p/kg. The average cow price in NI last week was back by 5.6p/kg to 227.6p/kg while the O3 cow price increased by 1.3p/kg to 253.5p/kg.

The deadweight cattle trade in GB continued to firm last week with average steer and heifer prices increasing in all regions. The average steer price in GB last week was 354.4p/kg, a 3.6p/kg increase from the previous week while the R3 steer price was up by 2.4p/kg to 364.2p/kg. This puts the differential between NI and GB at 19.9p/kg for R3 grade steers. The average heifer price in NI last week increased by 2.7p/kg to 356.3p/kg while the R3 heifer price was up by a similar margin to 365.4p/kg.

The deadweight trade for prime cattle in ROI has come under some pressure with an improvement in cattle availability reported. Reported prices were back in euro terms but a slight gain in the value of sterling against euro has resulted in notable declines in sterling terms. The R3 steer price in ROI last week was the equivalent of 316.6p/kg, back 4.7p/kg from the previous week. Meanwhile the R3 heifer price was back by a similar margin to 325.1p/kg. The cow trade has held steady in ROI although the O3 cow price was back by 3p/kg in sterling terms.

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

W/E 10/09/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	343.0	324.3	382.8	361.5	362.8	367.8	368.7
	R3	344.3	316.6	380.0	358.6	356.1	361.2	364.2
	R4	342.2	315.6	380.2	366.7	355.2	360.3	366.7
	O3	334.3	301.0	354.7	338.0	326.2	330.5	337.9
	AVG	334.0	-	374.8	353.2	342.9	343.2	354.4
Heifers	U3	346.5	335.2	388.8	369.2	370.7	370.4	375.3
	R3	341.1	325.7	386.1	356.5	358.5	357.2	365.4
	R4	340.3	325.1	381.8	360.9	357.2	358.4	365.3
	O3	337.3	311.7	363.4	331.3	332.1	328.1	339.3
	AVG	334.5	-	379.6	352.7	345.0	342.3	356.3
Young Bulls	U3	338.9	318.8	375.5	348.6	352.3	359.2	356.2
	R3	334.4	311.3	368.6	338.9	344.8	349.1	347.9
	O3	315.0	296.2	318.7	299.8	313.2	324.7	311.9
	AVG	317.5	-	354.1	320.9	334.2	333.6	334.4
Prime Cattle Price Reported		5185	-	6372	6792	6228	4340	23732
Cows	O3	253.5	249.4	261.8	246.1	249.9	243.3	248.8
	O4	255.1	250.7	263.2	244.5	244.6	244.6	246.8
	P2	211.1	232.3	217.7	198.3	200.7	211.3	205.3
	P3	234.1	243.4	233.3	218.1	211.2	225.1	218.6
	AVG	227.6	-	251.1	216.3	203.8	211.3	213.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.05p 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 10/09/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	202	220	211	165	198	182
Friesians	142	155	147	108	138	129
Heifers	195	216	206	157	189	173
Beef Cows	130	180	145	105	129	117
Dairy Cows	104	117	108	60	103	82
Store Cattle (p/kg)						
Bullocks up to 400kg	210	238	225	165	208	185
Bullocks 400kg - 500kg	200	225	212	165	199	182
Bullocks over 500kg	190	212	200	160	189	175
Heifers up to 450kg	200	229	215	160	199	180
Heifers over 450kg	185	212	200	155	184	170
Dropped Calves (£/head)						
Continental Bulls	280	425	330	140	278	200
Continental Heifers	200	300	250	100	198	150
Friesian Bulls	100	170	135	30	98	65
Holstein Bulls	75	155	100	10	72	40

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 12/09/16	Next Week 19/09/16
Lambs	375-390 > 21kg	375-380 > 21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 27/08/16	W/E 03/09/16	W/E 10/09/16
NI Lambs L/W	343.8	352.7	355.0
NI Lambs D/W	385.2	386.9	388.3
GB Lambs D/W	417.4	405.1	407.9
ROI D/W	390.1	388.2	-

Deadweight Sheep Trade

THE deadweight lamb trade in NI came under some pressure this week with quotes of 375-380p/kg for R3 grade lambs towards the end of the week. Similar quotes are expected for early next week. Throughput has continued to increase in line with normal seasonal trends with 12,484 lambs killed locally last week. Average carcase weights in NI have held steady at 20.6kg with plants paying up to 21kg. A further 12,089 sheep were exported to ROI for direct slaughter last week, the highest level of export for the year to date. Reported deadweight prices held relatively steady in NI last week at 388.3p/kg and remain notably higher than the corresponding week last year when the deadweight lamb price was 316.5p/kg.

This week's marts

GOOD numbers of lambs have been passing through many of the marts this week with the liveweight trade generally back from previous weeks. In Massereene on Monday 1,126 lambs sold from 335-355p/kg compared to 1,246 lambs last Monday selling from 350-377p/kg. In Enniskillen this week 892 lambs sold from 318-359p/kg compared to 1,028 lambs last week selling from 348-381p/kg. In Ballymena this week a smaller entry of 1,507 lambs sold to an average of 326p/kg compared to 2,632 lambs last week selling to an average of 350p/kg. The number of ewes passing through the sale rings has also started to increase with top reported prices generally ranging from £80-100 across the marts.

LATEST SHEEP MARTS

From: 09/09/16		Lambs (P/KG LW)			
To: 15/09/16		No	From	To	Avg
Friday	Newtownstewart	700	330	352	-
Saturday	Swatragh	1835	329	380	362
	Omagh	1978	363	418	-
Monday	Massereene	1126	335	355	-
	Kilrea	384	329	341	-
Tuesday	Saintfield	877	320	370	-
	Omagh	372	320	345	329
	Rathfriland	1000	327	389	352
Wednesday	Ballymena	1507	310	368	326
	Enniskillen	892	318	359	-
	Markethill	1525	330	371	-

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