LMC BULLETIN

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# NI PRIME CATTLE CONFORMATION UPDATE

ANALYSIS of the conformation scores for the price reported prime cattle kill in Northern Ireland has indicated some downward movement in scores achieved during the third quarter of 2016 when compared with the corresponding period in 2015.

### Steers

The proportion of steers awarded a U grade in the 2016 period accounted for 18.6 per cent of the NI steer kill, a 2.2 percentage point decrease compared to year earlier levels. The proportion of steers awarded an R grade accounted for 37.3 per cent of the price reported steer kill which was a decrease of 1.6 percentage points from the previous year. Meanwhile O grade steers recorded an increase of three percentage points during quarter three of 2016 to account for 32.6 per cent of the price reported steer kill while P grade steers recorded an increase of one percentage point from year earlier levels to 11.3 per cent.

During the 2016 period 56.6 per cent of the total NI prime cattle kill were steers and this was almost unchanged from the corresponding period in 2015 when steers accounted for 56.8 per cent of the total NI prime cattle kill. Despite the minimal change to the number of steers in the slaughter mix year on year there has been a change to the dairy/suckler balance. In the 2016 period 38 per cent of the price reported steer kill were sourced from the dairy herd compared to 36.2 per cent in the 2015 period.

The increase in the dairy influence in the NI steer kill will have been one factor behind the decrease recorded in the average price reported steer carcase weight between the two periods. During the 2015 period the average price reported steer carcase weight was 356kg and this decreased to 352kg during the 2016 period. The average price reported suckler origin steer carcase weight decreased by 4kg from 373kg to 369kg between the two periods while dairy origin carcases have decreased by 3kg from 326kg to 323kg.

### Heifers

During quarter three of 2016 the proportion of heifers achieving a U grade accounted for 15.1 per cent of the NI heifer kill, a 4.1 percentage point decrease on the same period in 2015. The proportion of heifers awarded an R grade accounted for 46.7 per cent of the price reported heifer kill which was a decrease of 2.7 percentage points from the previous year. O grade heifers during quarter three of 2016 recorded an increase of 5.5 percentage points to account for 31.6 per cent of the price reported heifer kill while P grade heifers recorded an increase of 1.4 percentage points year on year to account for 6.5 per cent of the heifer kill in the 2016 period.

Heifers accounted for 34.8 per cent of the total NI prime cattle kill during quarter three of 2016, down 1.2 percentage points from the same period in 2015. The proportion of this heifer kill sourced from the dairy herd was 33.4 per cent in the 2016 period, an increase of 6 percentage points from the 2015 period. The average heifer carcase weight has also recorded a decrease year on year. In quarter three of 2015 the average price reported heifer carcase weight was 321kg and by quarter three of 2016 this had decreased to 316kg.

### Young bulls

The young bull kill also recorded declines in conformation scores during the 2016 period with U grading young bulls accounting for 21 per cent of the NI young bull kill, a 5.6 percentage point decrease compared to the 2015 period. The proportion of young bulls awarded an R grade accounted for 24.8 per cent of the price reported young bull kill, a decrease of 1.5 percentage points from the year earlier. Meanwhile the proportion of O grade young bulls increased by 4.4 percentage points to account for 33.5 per cent of the NI young bull kill while P grade young bulls recorded an increase of 2.8 percentage points to 17.7 per cent compared to year earlier levels.

Young bulls accounted for 8.6 per cent of the NI prime cattle kill during the 2016 period, an increase from 7.2 per cent during the 2015 period. There has also been a change to the dairy/suckler mix in the young bull kill (including veal and rose veal). In the 2016 period 45.6 per cent of the price reported young bull kill were of dairy origin, a 6.4 percentage point increase from the 2015 period.

Table 1: Conformation of the NI price reported steer kill for the period July-September 2015 and 2016

| Year | E | U | R | O | P |
|---|---|---|---|---|---|
| 2015 | 0.4% | 20.8% | 38.9% | 29.6% | 10.3% |
| 2016 | 0.3% | 18.6% | 37.3% | 32.6% | 11.3% |

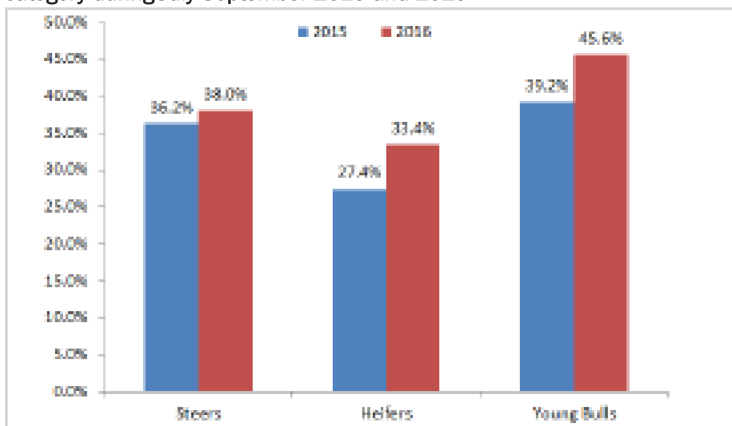
Table 2: Conformation of the NI price reported heifer kill for the period July-September 2015 and 2016

| Year | E | U | R | O | P |
|---|---|---|---|---|---|
| 2015 | 0.2% | 19.2% | 49.4% | 26.1% | 5.1% |
| 2016 | 0.1% | 15.1% | 46.7% | 31.6% | 6.5% |

Table 3: Conformation of the NI price reported young bull kill for the period July-September 2015 and 2016

| Year | E | U | R | O | P |
|---|---|---|---|---|---|
| 2015 | 3.0% | 26.6% | 26.3% | 29.1% | 14.9% |
| 2016 | 2.9% | 21.0% | 24.8% | 33.5% | 17.7% |

Figure 1: Proportion of the NI prime cattle kill sourced from the dairy herd by category during July-September 2015 and 2016



# FQAS MART CLINICS NOVEMBER 2016

| LOCATION | DAY | DATE |
|---|---|---|
| **Markethill** | Tuesday | 01/11/2016 |
| **Saintfield** | Wednesday | 02/11/2016 |
| **Omagh** | Monday | 07/11/2016 |
| **Enniskillen** | Thursday | 10/11/2016 |
| **Kilrea** | Wednesday | 23/11/2016 |
| **Ballymena** | Friday | 25/11/2016 |

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to or following an inspection. Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic. Terry will be available at the livestock marts listed in the table above from 10am to 1.30pm. For further information call (028) 9263 3024.

# EU BEEF SHORT TERM OUTLOOK

THE European Commission has just released its Short Term Outlook Report and it has indicated that EU beef production during 2016 is forecast to end the year 3.3 per cent higher than 2015 levels. This increase is expected to be driven primarily by an increase in dairy cow slaughterings across the EU in response to market difficulties in the dairy sector.

Beef production in the EU was 3.2 per cent higher than year earlier levels during the period January-July 2016 with production in the EU-15 increasing by 70,000 tonnes (+2.3 per cent) while production in the EU-N13 (member states that joined the EU in 2004 or later) increased by 45,000 tonnes (+12 per cent). The increase in the EU-N13 has been driven primarily by an increase in production in Poland where beef production increased by 28,000 tonnes as a result of increased cow and heifer throughput. Restructuring of milk production systems and culling of surplus cows is expected to increase slaughterings in many member states in the second half of 2016 with a potential increase in suckler cow culling in France also expected to drive up production levels.

Live cattle exports out of the EU have continued to increase with exports during the first seven months of 2016 operating 34 per cent higher than the corresponding period in 2015. This increase has been driven by sustained demand in the Mediterranean region according to the EU Commission report. Turkey was the biggest importer of EU cattle with 186,000 head imported during the first half of 2016 with Israel and Lebanon importing 95,000 and 96,000 respectively during the same period. With demand for live cattle remaining strong in these regions EU live beef exports are expected to end 2016 30 per cent higher than 2015 levels and to stabilise at this level during 2017.

Beef meat exports during the first seven months of 2016 were 17 per cent higher than the corresponding period in 2015. This increase in exports is in response to tight global supplies for beef and firm demand at relatively high prices which has created opportunities for the EU. There have been marked increases in the level of EU exports to destinations such as Israel, Ivory Coast and Vietnam with negotiations currently ongoing to open new export markets.

EU beef imports during January-July 2017 operated at two per cent higher than the corresponding period in 2015. Improved competitiveness and lower internal demand for beef in Brazil has resulted in an increase in beef availability for export and an increase in EU exports from the region as a result. Beef imports from Australia during the 2016 period were eight per cent higher than the corresponding period in 2015 despite a notable drop of 150,000 tonnes in total exports out of Australia as it starts to rebuild its cattle herds. Beef imports from Argentina increased by four per cent during January-July 2016. Overall EU beef imports are expected to end the year three per cent higher than 2015 levels with imports in 2017 expected to grow by a further three per cent.

Beef consumption per capita in the EU recorded increases in 2014 and 2015 and this is expected to grow by a further 2.1 per cent in 2016 due to strong beef availability on the market.

# WEEKLY BEEF & LAMB MARKETS

LMC

## CATTLE TRADE

### NI FACTORY QUOTES FOR CATTLE

| (P/KG DW) | This Week 24/10/16 | Next Week 31/10/16 |
|---|---|---|
| **Prime** | | |
| U-3 | 334 - 338p | 334 - 338p |
| R-3 | 328 - 332p | 328 - 332p |
| O+3 | 322 - 326p | 322 - 326p |
| P+3 | 268 - 286p | 268 - 286p |
| | 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 22/10/16 | Steers | Heifers | Young Bulls |
|---|---|---|---|
| U3 | 343.3 | 344.6 | 334.7 |
| R3 | 337.6 | 338.6 | 332.2 |
| O+3 | 329.6 | 331.4 | 323.7 |

*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

| w/e 22/10/16 | Wgt <220kg | Wgt 220-250kg | Wgt 250-280kg | Wgt >280kg |
|---|---|---|---|---|
| P1 | 155.6 | 165.8 | 175.1 | 193.3 |
| P2 | 180.2 | 192.3 | 210.1 | 226.4 |
| P3 | 193.2 | 213.7 | 229.8 | 236.1 |
| O3 | 198.8 | 227.4 | 246.3 | 251.0 |
| O4 | 177.2 | 232.8 | 250.1 | 256.7 |
| R3 | - | - | - | 268.7 |

## Deadweight Cattle Trade

BASE quotes from the major NI processers for prime cattle have remained steady with quotes for early next week ranging from 334-338p/kg for in spec U-3 grade prime cattle. Plants have also reported steady quotes for good quality O+3 grade cows which ranged from 240-250p/kg.

Prime cattle throughput in NI last week totalled 6,818 head which is the highest weekly throughput during 2016 to date. In the corresponding week in 2015 a total of 6,413 prime cattle were slaughtered locally. Cow throughput also reached its highest weekly total during 2016 to date with 2,637 cows killed in NI plants last week. This was higher than the corresponding week in 2015 when 2,127 cows were slaughtered in NI, accounting for a 24 per cent increase year on year.

Imports of cattle from ROI for direct slaughter in NI plants continued at a low level last week with a total of 14 prime cattle imported while no cows were imported. In the corresponding week in 2015 imports of cattle from ROI were markedly higher with 588 prime cattle and 136 cows imported for slaughter in NI plants. Meanwhile exports from NI to ROI for direct slaughter last week consisted of 44 prime cattle and 122 cows, compared to two prime cattle and 358 cows during the same week in 2015. Exports from NI for direct slaughter in GB last week consisted of 109 prime cattle and 43 cows, lower than the corresponding period in 2015 when 291 prime cattle and 79 cows were exported to GB.

The deadweight trade for prime cattle generally held steady in NI last week with the average steer price up by 0.8p/kg to 331.2p/kg while the R3 steer price also increased by 0.8p/kg to 340.8p/kg. The average heifer price in NI last week was unchanged at 333.9p/kg while the R3 heifer price increased by 1.1p/kg to 340.8p/kg. The average cow price in NI last week was almost unchanged at 223.3p/kg while the O3 cow price was similarly almost unchanged at 249.5p/kg.

The average steer price in GB last week remained steady at 351.5p/kg while the R3 steer price increased by 0.7p/kg to 362p/kg. This puts the differential in R3 steer prices between NI and the GB average last week at 21.2p/kg which is the equivalent of £74 on a 350kg carcase. The average heifer price in GB last week was back by 3.1p/kg to 351.7p/kg while the R3 heifer price was almost unchanged at 361.3p/kg. The differential in R3 heifer prices last week between NI and the GB average was 20.5p/kg which is the equivalent of £72 on a 350kg carcase.

In ROI last week deadweight cattle prices generally declined in both euro and sterling terms with a slight weakening in euro against sterling. The R3 steer price in ROI last week was the equivalent of 324.9p/kg, a decrease of 3.2p/kg from the previous week while the R3 heifer price similarly decreased by 3.6p/kg to 335.5p/kg. The O3 cow price in ROI last week recorded a decrease of 2.3p/kg to 257.6p/kg which puts it 8.1p/kg above the equivalent price in NI.

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

| W/E 22/10/2016 | | Northern Ireland | Rep of Ireland | Scotland | Northern England | Midlands & Wales | Southern England | GB |
|---|---|---|---|---|---|---|---|---|
| Steers | U3 | 343.8 | 334.7 | 379.9 | 359.2 | 360.1 | 363.4 | 365.6 |
| | R3 | 340.8 | 324.9 | 375.4 | 358.2 | 356.0 | 357.9 | 362.0 |
| | R4 | 338.5 | 323.9 | 379.6 | 374.0 | 354.8 | 358.5 | 368.7 |
| | O3 | 332.6 | 307.8 | 350.2 | 330.6 | 322.1 | 329.1 | 333.5 |
| | AVG | 331.2 | - | 372.6 | 351.8 | 338.2 | 339.9 | 351.5 |
| Heifers | U3 | 344.9 | 346.4 | 384.5 | 364.6 | 365.9 | 365.1 | 370.5 |
| | R3 | 340.8 | 335.5 | 377.7 | 353.6 | 356.4 | 354.4 | 361.3 |
| | R4 | 340.3 | 334.8 | 378.3 | 359.9 | 356.5 | 355.9 | 363.4 |
| | O3 | 335.6 | 322.2 | 351.4 | 322.6 | 319.7 | 326.8 | 331.1 |
| | AVG | 333.9 | - | 374.8 | 350.2 | 340.5 | 335.5 | 351.7 |
| Young Bulls | U3 | 334.9 | 330.7 | 374.4 | 347.4 | 347.3 | 350.6 | 352.1 |
| | R3 | 332.4 | 323.2 | 365.2 | 334.9 | 339.8 | 334.7 | 341.8 |
| | O3 | 314.6 | 309.4 | 325.6 | 295.0 | 302.0 | 301.7 | 304.5 |
| | AVG | 317.9 | - | 348.9 | 316.0 | 315.6 | 310.3 | 320.0 |
| Prime Cattle Price Reported | | 6319 | - | 6936 | 6904 | 6712 | 4725 | 25277 |
| Cows | O3 | 249.5 | 257.6 | 240.0 | 232.9 | 233.2 | 226.9 | 232.4 |
| | O4 | 255.4 | 258.6 | 243.5 | 232.4 | 234.8 | 226.3 | 233.6 |
| | P2 | 213.9 | 230.7 | 203.1 | 194.0 | 186.3 | 186.5 | 189.7 |
| | P3 | 233.3 | 247.0 | 211.2 | 206.9 | 198.6 | 206.0 | 203.0 |
| | AVG | 223.3 | - | 230.4 | 201.0 | 193.4 | 188.6 | 198.2 |

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.66p 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 22/10/16 | From | To | Avg | From | To | Avg |
| **Finished Cattle (p/kg)** | | | | | | |
| Steers | 200 | 217 | 205 | 160 | 199 | 180 |
| Friesians | 120 | 128 | 124 | 114 | 118 | 116 |
| Heifers | 175 | 185 | 180 | 150 | 174 | 165 |
| Beef Cows | 125 | 160 | 140 | 100 | 124 | 115 |
| Dairy Cows | 95 | 115 | 105 | 60 | 94 | 75 |
| **Store Cattle (p/kg)** | | | | | | |
| Bullocks up to 400kg | 210 | 248 | 220 | 160 | 209 | 185 |
| Bullocks 400kg - 500kg | 200 | 216 | 208 | 160 | 199 | 180 |
| Bullocks over 500kg | 190 | 213 | 200 | 150 | 189 | 170 |
| Heifers up to 450kg | 210 | 238 | 215 | 165 | 209 | 185 |
| Heifers over 450kg | 190 | 210 | 200 | 155 | 189 | 175 |
| **Dropped Calves (£/head)** | | | | | | |
| Continental Bulls | 260 | 370 | 310 | 180 | 258 | 210 |
| Continental Heifers | 205 | 315 | 260 | 130 | 202 | 165 |
| Friesian Bulls | 80 | 125 | 100 | 30 | 78 | 55 |
| Holstein Bulls | 60 | 100 | 75 | 15 | 58 | 35 |

# SHEEP TRADE

## SHEEP QUOTES

| (P/Kg DW) | This Week 24/10/16 | Next Week 31/10/16 |
|---|---|---|
| Lambs | 375-380 > 21kg | 370-375 > 21kg |

## REPORTED SHEEP PRICES

| (P/KG) | W/E 08/10/16 | W/E 15/10/16 | W/E 22/10/16 |
|---|---|---|---|
| NI Lambs L/W | 333.8 | 331.6 | 334.6 |
| NI Lambs D/W | 373.3 | 373.6 | 371.8 |
| GB Lambs D/W | 394.6 | 389.8 | 381.8 |
| ROI D/W | 390.3 | 394.7 | 386.9 |

## Deadweight Sheep Trade

THE deadweight sheep trade has remained relatively steady this week however quotes for R3 grade lambs for early next week are back slightly, ranging from 370-375p/kg with plants continuing to pay up to 21kg. The processors have reported a reduction in the number of lambs coming forward for slaughter with throughput last week totalling 9,580 head compared to 10,210 head the previous week. In the same week in 2015 a total of 10,253 lambs were killed in NI plants accounting for a seven per cent decline year on year. Meanwhile exports of sheep to ROI for direct slaughter last week totalled 10,009 head, an increase on the corresponding week in 2015 when 9,115 sheep were exported to ROI. The average deadweight lamb price in NI last week decreased by 1.8p/kg to 371.8p/kg while the average deadweight lamb price in ROI last week decreased by the equivalent of 7.8p/kg to 386.9p/kg.

## This week's marts

THE live lamb trade remained steady this week with marts reporting good numbers of lambs passing through many of the sale rings. In Omagh last Saturday 1,436 lambs sold from 361-396p/kg compared to 1,230 lambs the previous week selling from 349-381p/kg. In Massereene on Monday 1,176 lambs sold from 325-361p/kg compared to 1,246 lambs the previous week selling from 325-364p/kg. In Ballymena on Wednesday 2,513 lambs sold from 300-336p/kg compared to 2,007 lambs the previous week selling from 312-352p/kg. The ewe trade was back slightly this week with top prices generally ranging from £70-90 and a top reported price of £117 in Omagh on Saturday.

## LATEST SHEEP MARTS

| From: 21/10/16 | | Lambs (P/KG LW) | | | |
|---|---|---|---|---|---|
| To: 27/10/16 | | No | From | To | Avg |
| Friday | Newtownstewart | 496 | 318 | 341 | - |
| Saturday | Omagh | 1436 | 361 | 396 | - |
| | Swatragh | 1585 | 328 | 409 | 370 |
| Monday | Kilrea | 540 | 324 | 363 | - |
| | Massereene | 1176 | 325 | 361 | - |
| Tuesday | Saintfield | 707 | 324 | 374 | - |
| | Omagh | 330 | 310 | 331 | 319 |
| | Rathfriland | 1054 | 321 | 399 | 346 |
| Wednesday | Ballymena | 2513 | 300 | 336 | 321 |
| | Enniskillen | 384 | 320 | 352 | - |
| | Markethill | 880 | 320 | 337 | - |
| | Armoy | 382 | 320 | 342 | - |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