

## DEADWEIGHT CATTLE TRADE REMAINS STEADY

THE deadweight cattle trade has remained relatively steady as 2016 comes to a close with an R3 steer price in NI last week of 355p/kg. This was 41.2p/kg higher than the 313.8p/kg paid for R3 grade steers in the corresponding week in 2015 as outlined in Figure 1. This represents a £144 increase in the value of a 350kg steer carcass year on year.

R3 steer prices in NI have recorded a general increase since May 2016 and as indicated in Figure 1 the deadweight prices for R3 grade steers in NI in recent weeks have been broadly similar to the prices paid in the corresponding period in 2014.

Figure 2 provides a comparison of R3 steer prices in GB, NI and ROI during 2016 to date. The prices paid for R3 grade steers have been used for comparison purposes as it is the most popular price reported grade in NI and therefore provides the best sample for analysis. Using the prices paid for R3 steers also allows a like for like comparison to be made with the deadweight trade in GB and ROI.

As indicated in the chart deadweight prices in GB have tended to be above deadweight price paid in NI throughout 2016. There has however been some variability in the differential in paid prices between the two regions over the course

of the year. In early January 2016 the differential was as wide as 24.5p/kg before steadily narrowing to 5.3p/kg in early May this year. The differential then gradually widened again as the year progressed to as wide as 23.8p/kg in early October and since then has gradually narrowed to the 7.1p/kg differential recorded last week.

With the differential between the regions currently at a low level the export of cattle from NI for direct slaughter in GB plants is operating at very low levels with just 989 prime cattle making the journey across the Irish Sea for direct slaughter since the start of October compared to 2,817 in the same period last year. The 'Oxford Economics Price Differential Report', which was commissioned by LMC back in 2013, estimated the cost of transport from NI to the UK to be the equivalent of 12-14p/kg which makes exporting less attractive when the differential is narrower.

The differential in R3 steer prices between NI and ROI has also shown some significant variation over the course of 2016. In January 2016 the differential between the two regions was as wide as 35.9p/kg or £126 on a 350kg carcass. This differential then gradually narrowed as the year progressed and the deadweight price for R3 steers was higher in ROI than in NI for a brief period in April

2016. For the remainder of 2016 to date the differential has shown some variance however it has generally been widening as indicated in the chart.

Since late October 2016 the differential between the regions has recorded a notable widening. Increased cattle supplies in ROI have helped keep a cap on beef prices in the region while prices in NI have firmed. A weakening of the euro against sterling has also been a contributing factor to a widening in the differential in recent weeks. The differential last week was the equivalent of 49.5p/kg or £173 on a 350kg steer carcass.

In the past this widening of the differential between NI and ROI will have contributed to an increase in imports from ROI for direct slaughter in NI plants. However a growing preference among the major retail customers for beef that has been born, raised and slaughtered within the UK and an increase in the number of cattle available domestically appears to have reduced the demand for ROI cattle from local plants. During the six weeks ending 17 December 2016 479 prime cattle were imported from ROI for direct slaughter in NI plants, a notable decline from the 2,571 prime cattle imported during the corresponding period in 2015.

Figure 1: NI R3 steer prices from January 2014 to 2016 to date

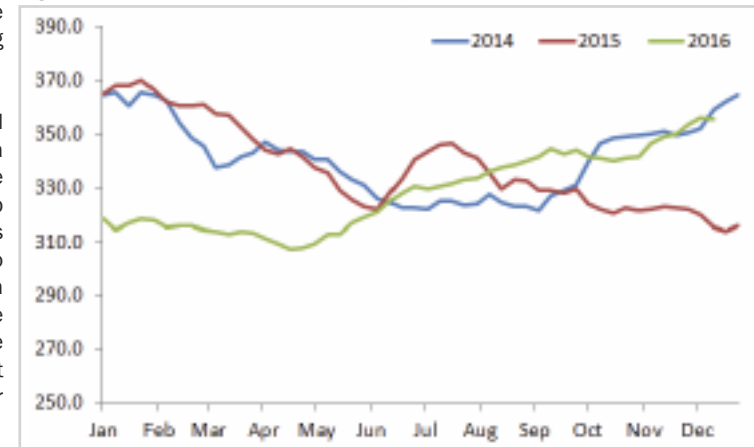
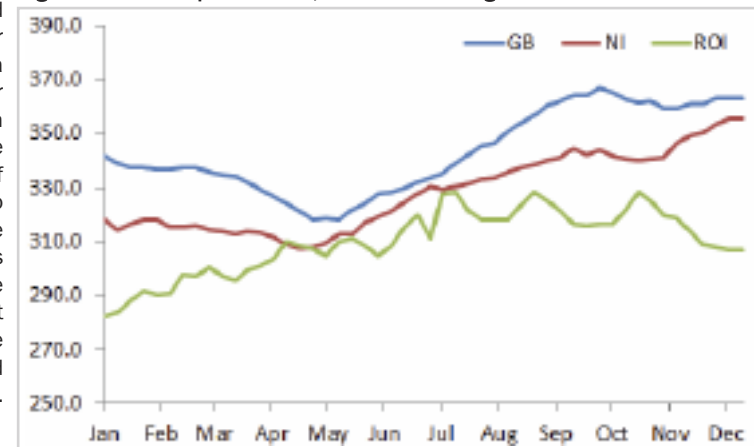


Figure 2: R3 steer prices in GB, NI and ROI during 2016 to date



**CHRISTMAS HOLIDAYS**  
LMC would like to wish all of our levy-payers and stakeholders a very Happy Christmas and prosperous New Year

**Holiday Arrangements**  
LMC's offices will be closed for the Christmas and New Year Period (26 December - 2 January). We will reopen on Tuesday 3 January.

**Answerphone & Text Service**  
There will be no answerphone or text message service during Christmas Week

**LMC Bulletin**  
There will be no LMC Bulletin published on Saturday 31 December

**NIFCC**  
Please note NIFCC offices will be closed for business on 26-27 December and on 2 January

# BIGGER CARRYOVER OF LAMBS INTO 2017 EXPECTED

LAMB throughput in local plants during the 12 weeks ending 17 December 2016 totalled 117,632 head, accounting for 54 per cent of total lamb output from the NI sheep flock during this period. In the corresponding period in 2015 throughput in the local plants totalled 130,598 head, accounting for 58 per cent of total output from the NI sheep flock.

Meanwhile exports to ROI for direct slaughter during the 12 week period ending 18 December 2016 totalled 98,415 head, a five per cent increase from the 93,969 head exported during the corresponding period in 2015. Lamb exports during the 2016 period accounted for 46 per cent of total lamb output from the NI sheep flock, up four percentage points from the corresponding period in 2015.

Total lamb output from the NI sheep flock from June to the week ending 18 December 2016 totalled 498,151 head, a four per cent decline from the corresponding period in 2015 when lamb output totalled 520,377 head. This decline in output from the NI sheep flock during the second half on 2016 has been recorded despite the DAERA Agricultural census recording two per cent more lambs on NI farms in June 2016.

This would indicate that more lambs will be

carried from 2016 into 2017 and killed as hoggets than in previous years. The cool wet summer and low grass growth rates during summer 2016 did not provide NI sheep producers with ideal production conditions. This will have negatively impacted lamb performance and ultimately increased the time it takes lambs to get slaughter ready.

There is also a possibility that good returns from sheep enterprises this year will have encouraged producers to retain more ewe lambs for breeding which will have impacted on the availability of lambs for slaughter or export. However if this is the case it will only have accounted for a small proportion of the reduction in lamb output in NI and hogget availability for slaughter in the first quarter of 2017 is expected to be higher than previous years.

To maximise returns at point of slaughter NI sheep producers are encouraged to produce lambs/hoggets that meet current market specifications. The current specification from the major processors is for R grading lambs or better with a fat score of 2 or 3 and a carcass weight of 22kg. Processors also have a strong preference for lambs with FQ status with bonuses available in some plants while other plants will not handle non assured lambs.

# FQAS MART CLINICS JANUARY 2017

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 above. For further information call (028) 9263 3024.

| LOCATION           | DAY       | DATE       |
|--------------------|-----------|------------|
| <b>Omagh</b>       | Monday    | 09/01/2017 |
| <b>Saintfield</b>  | Wednesday | 11/01/2017 |
| <b>Markethill</b>  | Tuesday   | 17/01/2017 |
| <b>Enniskillen</b> | Thursday  | 19/01/2017 |
| <b>Ballymena</b>   | Friday    | 20/01/2017 |
| <b>Kilrea</b>      | Wednesday | 25/01/2017 |



## FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:  
028 9263 3024

**Answerphone Service**  
Factory Quotes & Mart Results  
Updated 5pm Daily

Tel: 028 9263 3011

**Text Service**  
Free Price Quotes sent to your mobile phone weekly

Email - [bulletin@lmcni.com](mailto:bulletin@lmcni.com)  
Tel: 028 9263 3000

# WEEKLY BEEF & LAMB MARKETS



## CATTLE TRADE

### NI FACTORY BASE QUOTES FOR CATTLE

| (P/KG DW)                        | This Week<br>19/12/16 | Next Week<br>28/12/16 |
|----------------------------------|-----------------------|-----------------------|
| <b>Prime</b>                     |                       |                       |
| U-3                              | 344 - 350p            | 344 - 350p            |
| R-3                              | 338 - 344p            | 338 - 344p            |
| O+3                              | 332 - 338p            | 332 - 338p            |
| P+3                              | 278 - 298p            | 278 - 298p            |
| Including bonus where applicable |                       |                       |
| <b>Cows</b>                      |                       |                       |
| 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 17/12/16 | Steers | Heifers | Young Bulls |
|--------------|--------|---------|-------------|
| U3           | 358.3  | 358.1   | 346.3       |
| R3           | 351.9  | 352.6   | 344.1       |
| O+3          | 344.1  | 344.8   | 336.9       |

\*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

| w/e<br>17/12/16 | Wgt<br><220kg | Wgt 220-<br>250kg | Wgt 250-<br>280kg | Wgt<br>>280kg |
|-----------------|---------------|-------------------|-------------------|---------------|
| P1              | 153.2         | 163.3             | 180.4             | 185.4         |
| P2              | 175.4         | 195.5             | 213.8             | 229.2         |
| P3              | 215.3         | 214.7             | 229.5             | 237.5         |
| O3              | 200.0         | 224.7             | 245.5             | 255.2         |
| O4              | -             | 204.0             | 255.3             | 257.2         |
| R3              | -             | -                 | -                 | 272.3         |

## Deadweight Cattle Trade

THE deadweight cattle trade remained steady this week with base quotes from the major NI plants for in spec U-3 grade prime cattle towards the end of this week ranging from 344-350p/kg. Quotes for good quality O+3 grade cows ranged from 240-250p/kg across the plants. Similar quotes are expected for all types of cattle next week.

Reports from the local plants have indicated good supplies of prime cattle with throughput in NI last week remaining steady at 6,678 head. This was slightly higher than the 6,567 head of prime cattle slaughtered in NI plants in the corresponding week last year. A total of 2,312 cows were killed in NI plants last week, similar to the previous week and higher than the 1,921 cows slaughtered locally in the same week last year.

Imports of prime cattle from ROI for direct slaughter in NI plants totalled 97 head last week, almost unchanged from the previous week and markedly lower than the 423 prime cattle imported during the corresponding week in 2015. A small total of 17 cows were also imported from ROI for direct slaughter last week compared to 117 cows during the same week in 2015. Meanwhile 82 cows were exported from NI for direct slaughter in ROI plants last week, a decrease from the 141 cows exported during the same week last year. During the last week there were no exports of cattle from NI to GB for direct slaughter.

Deadweight prices for prime cattle in NI weakened slightly last week with the average steer price back by 1.4p/kg to 346.3p/kg while the R3 steer price was back by half a penny to 355p/kg. The average heifer price in NI last week was unchanged at 348.7p/kg while the R3 heifer price was back marginally to 355p/kg. The average cow price in NI last week recorded an increase of 3.4p/kg to 234.3p/kg while the O3 cow price was up by 1.4p/kg to 253.3p/kg.

The deadweight trade for prime cattle in GB also weakened slightly last week with the average steer price back by 1.3p/kg to 351.6p/kg while the average R3 steer price decreased by 0.8p/kg to 362.1p/kg. This puts the differential in R3 steer prices between NI and GB last week at 7.1p/kg or £25 on a 350kg carcass. In the same week last year the differential was 28.7p/kg which equated to £100 on a 350kg carcass. The average heifer price in GB last week was back by 2.3p/kg to 352.5p/kg while the average R3 heifer price was almost unchanged at 362.2p/kg. The differential in R3 heifer prices last week between NI and GB was 7.2p/kg or £25 on a 350kg carcass compared to a differential of 26.7p/kg in the corresponding week last year which equated to £93 on a 350kg carcass.

In ROI last week the deadweight cattle trade came under some pressure in euro terms and a slight weakening in euro against sterling has meant deadweight prices also decreased in sterling terms. The R3 steer price in ROI last week was the equivalent of 305.5p/kg, back by 1.2p/kg from the previous week while the R3 heifer price was the equivalent of 355p/kg, back by 1.7p/kg. The O3 cow price recorded a similar decrease of 1.2p/kg to the equivalent of 243.1p/kg.

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

| W/E<br>17/12/2016 | Northern<br>Ireland            | Rep of<br>Ireland | Scotland | Northern<br>England | Midlands<br>& Wales | Southern<br>England | GB    |
|-------------------|--------------------------------|-------------------|----------|---------------------|---------------------|---------------------|-------|
| Steers            | U3                             | 358.9             | 314.1    | 372.3               | 361.8               | 365.5               | 366.3 |
|                   | R3                             | 355.0             | 305.5    | 370.5               | 357.5               | 359.5               | 362.1 |
|                   | R4                             | 353.2             | 306.6    | 370.8               | 367.5               | 360.3               | 365.8 |
|                   | O3                             | 344.8             | 291.6    | 345.0               | 332.4               | 324.4               | 333.1 |
| Heifers           | AVG                            | 346.3             | -        | 366.2               | 350.7               | 344.0               | 351.6 |
|                   | U3                             | 359.1             | 328.5    | 375.8               | 365.5               | 375.1               | 371.5 |
|                   | R3                             | 355.0             | 317.3    | 369.1               | 355.2               | 363.2               | 362.2 |
|                   | R4                             | 352.2             | 316.9    | 369.5               | 359.1               | 362.9               | 362.9 |
| Young<br>Bulls    | O3                             | 349.6             | 304.8    | 346.3               | 339.7               | 335.0               | 337.6 |
|                   | AVG                            | 348.7             | -        | 367.6               | 350.9               | 347.4               | 352.5 |
|                   | U3                             | 347.7             | 310.8    | 359.2               | 343.9               | 355.2               | 349.9 |
|                   | R3                             | 344.2             | 301.8    | 358.7               | 333.7               | 339.4               | 341.1 |
| Cows              | O3                             | 328.8             | 290.9    | 312.3               | 299.8               | 309.5               | 308.5 |
|                   | AVG                            | 330.6             | -        | 328.7               | 301.7               | 311.0               | 312.0 |
|                   | Prime Cattle<br>Price Reported | 5945              | -        | 7054                | 7147                | 6839                | 25199 |
|                   | O3                             | 253.3             | 243.1    | 236.8               | 232.0               | 232.2               | 232.0 |
| Cows              | O4                             | 256.8             | 244.6    | 239.9               | 233.1               | 234.5               | 233.6 |
|                   | P2                             | 215.8             | 218.9    | 188.6               | 186.2               | 185.9               | 185.5 |
|                   | P3                             | 234.2             | 232.7    | 204.2               | 205.5               | 201.5               | 204.8 |
|                   | AVG                            | 234.3             | -        | 223.7               | 202.4               | 196.1               | 199.7 |

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.77p 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

| W/E 17/12/16                   | 1st QUALITY |     |     | 2nd QUALITY |     |     |
|--------------------------------|-------------|-----|-----|-------------|-----|-----|
|                                | From        | To  | Avg | From        | To  | Avg |
| <b>Finished Cattle (p/kg)</b>  |             |     |     |             |     |     |
| Steers                         | 200         | 218 | 207 | 170         | 198 | 184 |
| Friesians                      | 155         | 167 | 159 | 147         | 153 | 151 |
| Heifers                        | 190         | 203 | 197 | 164         | 186 | 174 |
| Beef Cows                      | 138         | 198 | 147 | 105         | 137 | 122 |
| Dairy Cows                     | 100         | 130 | 110 | 62          | 99  | 80  |
| <b>Store Cattle (p/kg)</b>     |             |     |     |             |     |     |
| Bullocks up to 400kg           | 210         | 234 | 220 | 165         | 208 | 188 |
| Bullocks 400kg - 500kg         | 200         | 220 | 210 | 160         | 199 | 178 |
| Bullocks over 500kg            | 200         | 222 | 211 | 160         | 199 | 175 |
| Heifers up to 450kg            | 200         | 221 | 210 | 155         | 199 | 178 |
| Heifers over 450kg             | 198         | 212 | 204 | 150         | 197 | 185 |
| <b>Dropped Calves (£/head)</b> |             |     |     |             |     |     |
| Continental Bulls              | 300         | 500 | 350 | 200         | 298 | 250 |
| Continental Heifers            | 210         | 425 | 275 | 120         | 208 | 165 |
| Friesian Bulls                 | 110         | 180 | 145 | 45          | 108 | 85  |
| Holstein Bulls                 | 80          | 155 | 110 | 2           | 78  | 40  |

# SHEEP TRADE

## SHEEP BASE QUOTES

| (P/Kg DW) | This Week<br>19/12/16 | Next Week<br>28/12/16 |
|-----------|-----------------------|-----------------------|
| Lambs     | 375 > 22kg            | 375 > 22kg            |

## REPORTED SHEEP PRICES

| (P/KG)       | W/E<br>03/12/16 | W/E<br>10/12/16 | W/E<br>17/12/16 |
|--------------|-----------------|-----------------|-----------------|
| NI Lambs L/W | 339.0           | 337.9           | 339.0           |
| NI Lambs D/W | 374.8           | 374.8           | 372.0           |
| GB Lambs D/W | 390.1           | 387.5           | 383.6           |
| ROI D/W      | 375.5           | 374.4           | 368.9           |

## Deadweight Sheep Trade

THE deadweight lamb trade in NI this week remained steady with quotes for R3 grade lambs at 375p/kg with plants paying up to 22kg. Similar quotes are expected next week. A decline in supplies of lambs coming forward for slaughter has been reported with 8,388 lambs killed in NI last week. This was a decrease of 716 head from the 9,104 lambs killed in NI during the previous week. A total of 7,724 sheep were exported from NI to ROI for direct slaughter last week, compared to 8,462 sheep the previous week. A total of 8,316 were sheep exported to ROI during the same week last year. The deadweight lamb price in NI last week was back by 2.8p/kg to 372p/kg while the deadweight lamb price in ROI was the equivalent of 368.9p/kg.

## This week's marts

THE number of lambs passing through the sale rings this week has declined with reports from the marts indicating a firmer trade. In Kilrea last week 340 lambs sold from 340-360p/kg compared to 400 lambs the previous week selling from 336-356p/kg. In Massereene last week 766 lambs sold from 340-380p/kg compared to 1,267 lambs the previous week selling from 325-360p/kg. In Rathfriland this week 276 lambs sold to an average of 344p/kg compared to 660 lambs last week selling to an average of 340p/kg. In Enniskillen on Wednesday 200 lambs sold from 345-369p/kg compared to 156 lambs the previous week selling from 330-348p/kg. The trade for first quality fat ewes remained firm this week with top reported prices generally ranging from £75-100.

## LATEST SHEEP MARTS

| From: 16/12/16 |                | Lambs (P/KG LW) |      |     |     |
|----------------|----------------|-----------------|------|-----|-----|
| To: 22/12/16   |                | No              | From | To  | Avg |
| Friday         | Newtownstewart | 219             | 320  | 347 | -   |
| Saturday       | Omagh          | 472             | 333  | 378 | -   |
|                | Swatragh       | 750             | 321  | 372 | -   |
| Monday         | Kilrea         | 340             | 340  | 360 | -   |
|                | Massereene     | 766             | 340  | 380 | -   |
| Tuesday        | Saintfield     | 303             | 328  | 389 | -   |
|                | Rathfriland    | 276             | 322  | 361 | 344 |
| Wednesday      | Ballymena      | 1237            | 325  | 357 | 336 |
|                | Enniskillen    | 200             | 345  | 369 | -   |
|                | Markethill     | 600             | 330  | 367 | -   |
|                | Armoyle        | 180             | 340  | 375 | 345 |

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