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AVERAGE CARCASE WEIGHTS INCREASE IN JANUARY 2019

THE average carcase weight of prime cattle killed in NI during January 2019 was 340.4kg. This was up 3.9kg or 1.2 per cent from January 2018 figures. All categories of prime cattle have recorded an increase in average carcase weights year on year as indicated in Figure 1.

Steers accounted for 47 per cent of the prime cattle kill in NI during January 2019 with an average carcase weight of 358.5kg. This average carcase weight was up 4.2kg from January 2018 and 7.8kg ahead of January 2017 levels. Current specifications from major retailers and food services require beef from carcases in the 280-380kg weight range and during January 2019 61 per cent of price reported steer carcases met this requirement.

However carcases that are too heavy to meet current market specifications continue to be presented with 20 per cent of price reported steers producing carcases of over 400kg during January 2019, an increase from 18 per cent in January 2018.

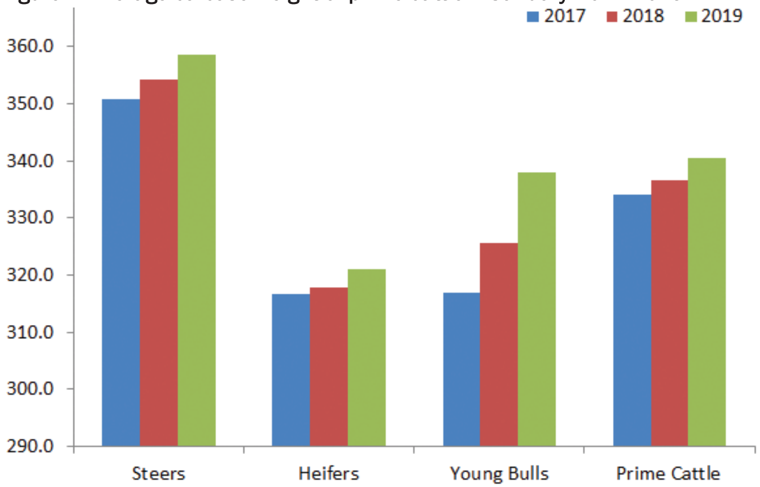
Heifers accounted for 42 per cent of prime cattle throughput in NI during January 2019 with an average carcase weight of 320.9kg. This was an increase of 3.1kg from year earlier levels. In January 2019 76 per cent of heifer carcases fulfilled the 280-380kg carcase weight range requirement, up from 74 per cent in January 2018. Heifer carcases over 400kg accounted for just three per cent of the price reported heifer kill in January 2019, a proportion unchanged from January 2018.

Young bulls accounted for 11 per cent of prime cattle throughput in NI during January 2019, up from nine per cent in January 2018. In January 2019 55 per cent of price reported young bulls met the 280-380kg weight range criteria, an increase from 51 per cent in January 2018.

There has also been an increase in the proportion of heavier young bull carcases in the slaughter mix. In January 2018 13 per cent of price reported young bulls produced carcases in excess of 400kg and this increased to 15 per cent in January 2019.

Producers are encouraged to produce prime cattle carcases within the 280-380kg weight range as these meet the requirements of the largest range of retail and food service orders and provide the greatest return to the industry. It is however equally important that processors give producers the correct market signals to produce these in-spec animals. Producers should liaise with the procurement staff of the individual plants prior to finishing cattle to ensure there is a market outlet for the type of cattle being produced.

Figure 1: Average carcase weight of prime cattle in January 2017-2019



2018 LAMB CROP SMALLER THAN ANTICIPATED?

HOGGET throughput during the first six weeks of 2019 has totalled 35,400 head in local processing plants which is a 14 per cent reduction from the corresponding period last year. Meanwhile exports to ROI for direct slaughter have also been running behind 2018 levels with 43,403 hoggets exported during 2019 to date, a 14 per cent reduction from year earlier levels.

In June 2018 the DAERA Agricultural census indicated a three per cent reduction in lamb numbers on the ground in NI. Lamb/hogget output from the NI sheep flock in the form of local slaughterings and exports since then has totalled 563,301 head which is five per cent below output during the same period in 2017/18. This would suggest that either there are more lambs currently on farm than has been in previous years or that they are simply not there due to the difficult production conditions experienced in spring 2018.

With lower throughput in the local plants over the last few weeks, lower levels of exports for direct slaughter and similar numbers passing through the marts compared to this time last year all the signs are that the 2018 lamb crop was even lower than predicted.

While January 2019 slaughter figures for GB are not yet available all indications are that sheep output in the region is following a similar trend to those recorded in NI. In the period June-December 2018 lamb throughput in GB totalled 7.7 million head, a five per cent reduction from the 8.1 million lambs killed in the same period in 2017.

There has also been a reduction in lamb/hogget throughput in ROI although not to the same extent as recorded in NI and GB. Lamb/hogget throughput from June 2018 to January 2019 in ROI was one per cent below year earlier levels at just under 1.8 million head.

Image 1: Smaller lamb crops are impacting flock output in NI, GB and ROI during 2018/19

HOW WTO TRADING IMPACTS AGRICULTURE

WTO trading will create serious problems for agricultural producers and processors. There are two main reasons for this according to analysts from Agribusiness Intelligence:

1) the high rate of tariffs on agricultural and food products compared with those on industrial products
2) the greater influence of conditions and regulations governing the agri-food sector.

According to Agribusiness Intelligence the cost of implementing non-tariff barriers (NTBs) could cost just as much as actual tariffs in some sectors. If the UK leaves the EU without a trade deal and is dependent on WTO trading terms, much depends on the tariff policy which the post-Brexit Government chooses to operate. The industry would be particularly vulnerable to a low tariff policy. The agriculture sector has historically always had more protection than the industrial sector because of developed countries' desire to protect their farmers and rural economies from foreign competition.

In any trade deals the UK may do on tariff concessions it would be restricted by the WTO's 'most favoured nation' (MFN) rules. This part of the WTO trade regulation system poses a further threat to both UK producers and exporters. If the UK were to grant one country a concession on, for example, tariff reduction and quota-free access for beef to Australia, it would have to grant the same concession to Brazil. The impact on the UK beef industry would be disastrous.

Currently, access for all the major livestock products to the UK market are regulated by EU tariffs and 'tariff rate quotas' TRQs. These prevent the UK market from being flooded with lower priced imports from non-EU countries.

At the point of exit from the EU and entry into the WTO-regulated world the UK Government would have to make up its mind whether to operate a high tariff policy to protect its domestic producers or a low tariff system to benefit its consumers.

To fulfil its pre-Brexit 'promises' to the electorate it will probably be forced to go for the latter – with disastrous consequences for UK farmers and food processors. It would most likely be prevented from protecting domestic industries from this increased competition through deficiency payments or direct subsidies by budgetary constraints.

A 'no deal' Brexit will inevitably increase trade barriers with the UK forced to trade on a WTO trading basis. This would seriously impede the UK's EU-related food and agriculture trade which is heavily dependent on the European market. New tariffs, customs and regulatory barriers mean UK exports to the EU will suffer, while imports from the EU will become less expensive if the UK opts for a low tariff policy. Agribusiness Intelligence feel that this double challenge will reduce UK agri-food trade competitiveness putting jobs and livelihoods at serious risk.

WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 11/02/19	Next Week 18/02/19
Prime		
U-3	336 - 344p	336 - 344p
R-3	330 - 338p	330 - 338p
O+3	324 - 332p	324 - 332p
P+3	278 - 292p	278 - 292p
	Including bonus where applicable	
Cows		
O+3 & better	218 - 240p	218 - 240p
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 09/02/19	Steers	Heifers	Young Bulls
U3	347.4	354.1	334.9
R3	345.5	348.5	334.7
O+3	338.1	338.1	327.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 09/02/19	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	134.9	148.3	158.1	174.9
P2	158.5	180.5	194.4	208.8
P3	172.1	193.9	210.2	215.6
O3	-	217.9	229.9	235.3
O4	-	230.0	239.4	239.8
R3	-	-	240.0	259.9

Deadweight Cattle Trade

BASE quotes from the major NI beef processing plants continued to hold relatively steady this week with quotes for in spec U-3 steers and heifers ranging from 336-344p/kg with similar quotes expected for early next week. However some reports have indicated delays in getting cattle booked in for slaughter in local plants with strong cattle supplies running ahead of demand for beef. Quotes for O+3 grading cows came back at the lower end to 218-240p/kg with the majority of plants quoting in the region of 230p/kg.

Prime cattle throughput in local plants last week totalled 7,048 head. This was back 58 head from the previous week and similar to the 7,083 head killed locally during the corresponding week last year. Cow throughput in NI last week totalled 1,932 head, up 113 cows from the previous week and below the 2,047 cows reported in the same week in 2018. Imports for direct slaughter from ROI last week were back from the previous week and consisted of 294 prime cattle and 66 cows. A further 101 cows were also imported from GB for direct slaughter in local plants. Exports from NI to ROI for direct slaughter last week included 7 heifers and 105 cows while no cattle were exported to GB for direct slaughter.

The deadweight prime cattle trade in NI last week came under pressure. The average steer price in NI last week came back 2p/kg to 341.3p/kg while the R3 steer price was back by 0.6p/kg to 349.1p/kg from the previous week. In the corresponding week in 2018 the R3 steer price was 357.9p/kg. The average heifer price in NI last week slightly decreased to 343.4p/kg however the R3 heifer price reported an increase of 1.9p/kg to 351p/kg. In the same week in 2018 the R3 heifer price was 358.2p/kg. The average cow price in NI last week reported an increase of 2.2p/kg to 223.1p/kg however the O3 cow price was back by 3.5p/kg to 234.4p/kg.

The deadweight trade for prime cattle has also continued to come under some pressure in GB. The average steer price was marginally back to 350p/kg last week while the R3 steer price was back by 1.5p/kg to 357.2p/kg. R3 steer prices recorded a decline in Southern England (-5.3p/kg) and Northern England (-3.4p/kg) last week while the R3 steer price increased in both the Midlands and Scotland by 0.7p/kg. The average heifer price in GB last week held steady at 350.7p/kg while the R3 heifer price increased slightly to 358p/kg. The R3 heifer price recorded increases of just over a penny in both the Midlands and Scotland with the R3 heifer price back a penny in Northern and Southern England. The cow trade continued to firm in GB last week with the average cow price up by 2.6p/kg to 216.5p/kg. The O3 cow price improved last week by 1.6p/kg to 239.4p/kg, 5p/kg above the O3 cow price in NI.

In ROI last week deadweight prices held steady in euro terms however a firming in euro against sterling meant prices improved slightly in sterling terms. The R3 steer price in ROI last week was up by a penny to the equivalent of 323.1p/kg while the R3 heifer price was up by 1.7p/kg to the equivalent of 335.3p/kg. The O3 cow price in ROI held steady this week at 236.1p/kg.

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

W/E 09/02/19		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	349.6	329.5	364.2	363.6	359.8	357.0	361.3
	R3	349.1	323.1	362.7	357.8	355.8	352.7	357.2
	R4	348.1	325.2	365.4	365.7	355.3	351.7	360.6
	O3	339.3	308.9	342.8	336.5	329.5	332.9	335.3
	AVG	341.3	-	360.5	353.8	343.7	340.6	350.0
Heifers	U3	354.1	346.7	369.0	364.3	365.8	361.4	365.5
	R3	351.0	335.3	361.7	357.8	356.9	355.4	358.0
	R4	348.3	335.7	363.0	360.1	356.8	353.7	358.7
	O3	340.0	320.2	337.7	334.3	322.2	335.5	331.8
	AVG	343.4	-	361.0	352.6	344.1	345.1	350.7
Young Bulls	U3	335.3	313.8	350.4	342.0	336.1	337.4	341.3
	R3	335.4	302.9	349.2	339.9	340.4	335.6	341.5
	O3	319.6	286.8	314.0	306.1	303.9	312.9	307.1
	AVG	321.9	-	329.7	316.6	315.3	324.2	319.2
Prime Cattle Price Reported		6,135	-	6,991	7,063	8,147	4,885	27,086
Cows	O3	234.4	236.1	236.1	237.3	243.4	235.4	239.4
	O4	239.8	237.9	240.3	238.1	239.3	232.6	237.9
	P2	197.9	203.9	196.3	189.2	191.7	197.9	193.3
	P3	213.0	224.4	212.7	206.5	214.8	208.9	211.5
	AVG	223.1	-	231.2	221.2	214.2	207.3	216.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.72p 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 09/02/19	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	204	213	207	185	203	194
Friesians	155	162	157	142	154	147
Heifers	204	212	208	188	200	193
Beef Cows	146	180	158	115	145	135
Dairy Cows	108	130	114	65	101	85
Store Cattle (p/kg)						
Bullocks up to 400kg	235	300	250	215	234	225
Bullocks 400kg - 500kg	215	247	232	200	214	208
Bullocks over 500kg	207	227	215	180	205	190
Heifers up to 450kg	225	280	240	200	224	210
Heifers over 450kg	200	209	205	175	199	188
Dropped Calves (£/head)						
Continental Bulls	340	470	380	235	335	285
Continental Heifers	250	330	295	140	245	200
Friesian Bulls	150	220	205	80	145	110
Holstein Bulls	90	150	120	10	85	50

SHEEP TRADE

SHEEP BASE QUOTES		
(P/Kg DW)	This Week 11/02/19	Next Week 18/02/19
Hoggets> 22kg	420-440p	420-430p

REPORTED SHEEP PRICES			
(P/KG)	W/E 26/01/19	W/E 02/02/19	W/E 09/02/19
NI L/W Hoggets	414.1	420.0	412.2
NI D/W Hoggets	434.0	436.9	437.6
GB D/W Hoggets	430.4	425.0	425.8
ROI D/W	439.8	447.5	454.3

Deadweight Sheep Trade

THE deadweight hogget trade has come under some pressure in NI this week. Quotes at the beginning of the week from the NI plants ranged from of 420-440p/kg for R3 grading hoggets up to 22kg. Quotes for R3 grading hoggets are expected to range from 420-430p/kg up to 22kg next week. Hogget throughput totalled 4,888 head killed in local plants last week, back 207 hoggets from the previous week. Exports to ROI for direct slaughter last week consisted of 5,680 hoggets back from 6,876 exported during the previous week. The deadweight hogget price in NI last week increased by 0.6p/kg to 437.6p/kg while in ROI the hogget price was up by 6.8p/kg to 454.3p/kg.

This week's marts

THIS week the hogget trade came under some pressure across many of the marts compared to previous weeks with reports of reduced demand from buyers. In Swatragh last Saturday 700 hoggets sold from 380-470p/kg compared to 700 hoggets the previous week selling from 380-475p/kg. In Kilrea on Monday 400 hoggets sold from 400-423p/kg compared to 400 hoggets last week selling from 409-430p/kg. In Rathfriland this week 432 hoggets sold from 377-422p/kg (avg 386p/kg) compared to 400 hoggets last week selling from 393-470p/kg (avg 412p/kg). In Ballymena 1,303 hoggets this week sold from 350-422p/kg (avg 375p/kg) compared to 1,716 hoggets last week selling from 360-459p/kg (avg 396p/kg). Top reported prices for cull ewes ranged from £86 - £122.

LATEST SHEEP MARTS					
From: 09/02/19		Hoggets (P/KG LW)			
To: 14/02/19		No	From	To	Avg
Friday	Newtownstewart	220	365	387	
Saturday	Swatragh	700	380	470	-
	Omagh	882	417	454	-
Monday	Massereene	821	385	418	-
	Kilrea	400	400	423	-
Tuesday	Saintfield	590	380	440	-
	Rathfriland	432	377	422	386
Wednesday	Ballymena	1303	350	422	375
	Enniskillen	448	390	428	-
	Armoy	446	370	422	-
	Markethill	980	390	423	-

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