LMC
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UK TO MAINTAIN EU PRODUCTION STANDARDS IN A NO DEAL BREXIT

REPORTS this week have indicated that in the case of a no deal Brexit the UK will choose to remain aligned with the EU's agriculture and food standards for a period of at least nine months. This news has come despite requests from the US to soften regulations in this area to help facilitate a comprehensive trade agreement between the two countries.

A document released by the US Department of Agriculture (USDA) late last week outlined the administration's position in trade negotiations with the UK after Brexit. The "aim of negotiations with the UK is to address both tariff and non-tariff barriers and to achieve fairer and deeper trade". The report specifically outlines the US' desire to secure comprehensive market access for US agricultural goods in the UK by reducing or eliminating tariffs.

However the move by the UK to maintain EU agriculture and food standards for at least nine months will help protect UK farming and in particular 'sensitive' products such as beef from US agricultural imports. A move away from the high standards being applied in the UK at present could potentially open up UK markets to currently banned products such as hormone-boosted beef and other agricultural produce that has been produced to lower standards.

Leading UK Government figures such as Prime Minister Theresa May and DEFRA Secretary Michael Gove have repeatedly insisted that the UK will not compromise on its food standards to secure the trade deal with the US.

The US is one of the largest beef producers in the world and has the capability to export huge volumes of beef if the right markets are available. The US is currently the world's fourth largest beef exporter with exports growing by 12.5 per cent to total 1,460 thousand tonnes during 2018. This is expected to grow by a further six per cent to total 1,550 thousand tonnes in 2019.

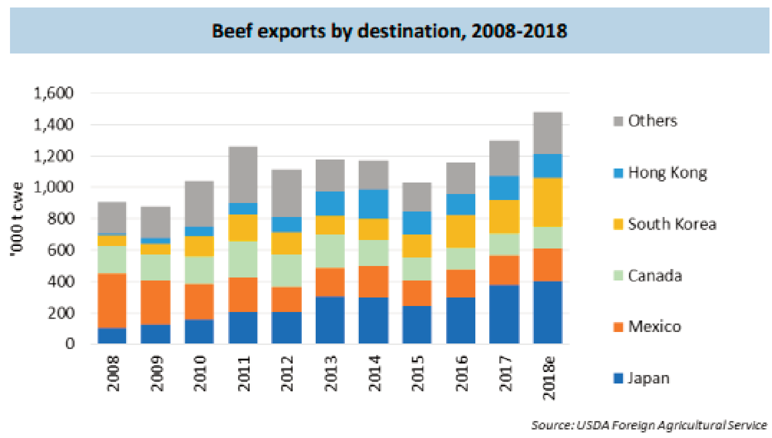
US beef exports are primarily destined for five key markets as outlined in Figure 1, however US beef processers export beef into 200 markets across the globe. Most of the volume growth in exports in recent years has been for frozen beef products destined for markets in East Asia where domestic production is failing to meet growing demand.

In 2018 total cattle slaughterings in the US increased by 2.7 per cent to total 33.6 million head and is expected to rise further to 34.3 million head in 2019. A recovery the US beef cow herd since 2015 and a growing calf crop after a prolonged period of decline has contributed to the increased availability of cattle for slaughter and the increasing volumes of beef available for processing. This growth in the production base however is expected to level off over the next few years due to reduced profitability at farm level.

The volume of beef processed in the US increased to 12,224 thousand tonnes during 2018 and is expected to increase to 12,484 thousand tonnes during 2019. While there is huge domestic demand for beef in the US this growth in production will increase the volume of beef available for export.

The UK has indicated it intends to maintain EU agriculture and food standards in the short term in a no deal Brexit scenario and this will provide some protection to the UK agricultural sector from imported products. It is important to note however that any trade deals made moving forward do not undermine the long term viability of the UK agricultural industry.

Figure 1: US beef exports by destination 2008-20 (Source: GIRA/ USDA Foreign Agricultural Service)



IMPORTS AND EXPORTS FOR DIRECT SLAUGHTER OPERATING AT LOW LEVELS

IMPORTS of prime cattle from ROI for direct slaughter in local plants increased strongly in late January/early February 2019, however they have recorded a notable decline in recent weeks as outlined in Figure 2.

Last week 41 prime cattle were imported from ROI for direct slaughter in local plants, markedly below the 529 prime cattle imported from the region during the w/e 02 February 2019. This was the highest weekly level of import recorded since January 2016. However while imports have tailed off in recent weeks imports from ROI for 2019 to date have totalled 1,924 head, a sharp increase from 363 prime cattle imported in the same period in 2018.

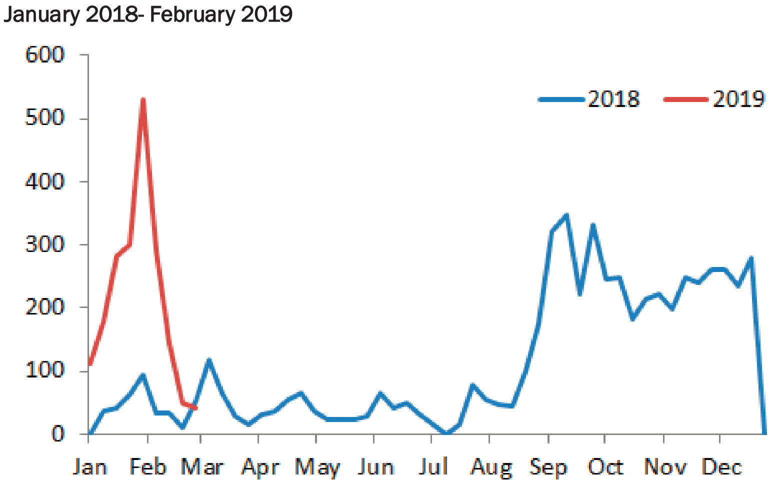
Strong supplies of prime cattle for slaughter locally have met processor demand for beef and will have contributed to the decline in imports in recent weeks. APHIS figures for the end of February 2019 have indicated a two per cent increase in cattle for beef production on NI farms aged 18-24 months when compared to 2018 levels. As the year progresses numbers available for slaughter are expected to tighten as the impact of declining calf registrations becomes apparent.

Prime cattle imports from GB for slaughter in local plants have totalled 215 head during 2019 to date. While this is a relatively small number it is higher than the same period in 2018 when 70 prime cattle were imported from GB.

Exports of prime cattle out of NI for direct slaughter have also been operating at very low levels to both ROI and GB. Just 22 prime cattle were exported from NI to GB during 2019 to date with no prime cattle exported for direct slaughter to GB in the last six weeks. In the same period last year 408 prime cattle were exported to GB for direct slaughter. A narrow price differential between NI and GB has made exporting cattle to GB a much less profitable enterprise.

Meanwhile exports of prime cattle to ROI for direct slaughter totalled 143 head during 2019 to date, back from 422 head in the corresponding period last year.

Figure 2: Imports of prime cattle from ROI for direct slaughter in local plants January 2018- February 2019



FQAS MART CLINICS MARCH 2019

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. For further information call (028) 9263 3024.

LOCATION	DAY	DATE
Markethill	Tuesday	12/03/19
Enniskillen	Thursday	14/03/19
Kilrea	Wednesday	20/03/19
Ballymena	Friday	22/03 /19

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 04/03/19	Next Week 11/03/19
Prime		
U-3	330 - 340p	330 - 336p
R-3	324 - 334p	324 - 330p
O+3	318 - 328p	318 - 324p
P+3	272 - 286p	272 - 282p
	Including bonus where applicable	
Cows		
O+3 & better	218 - 250p	218 - 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 02/03/19	Steers	Heifers	Young Bulls
U3	342.0	347.7	325.8
R3	339.2	341.0	329.7
O+3	331.7	333.1	320.2

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 02/03/19	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	133.2	147.0	158.8	170.8
P2	160.3	172.5	188.5	206.0
P3	188.4	198.6	208.1	217.4
O3	-	244.0	226.6	234.6
O4	-	210.0	235.2	240.3
R3	-	-	-	261.6

Deadweight Cattle Trade

THE deadweight cattle trade came under pressure this week. Base quotes from the major NI plants for in spec U-3 grade prime cattle ended the week ranging from 330-336p/kg with quotes for good quality O+3 grade cows ranging from 218-250p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week increased to 7,273 head. This takes the prime cattle year to date throughput to 61,956 head, marginally up from the 61,652 prime cattle slaughtered in same period in 2018. Meanwhile a total of 1,491 cows were killed in NI last week, back from the 1,686 cows killed during the previous week. This takes the year to date throughput of cows to 15,936, back 3,045 head from the 18,981 cows slaughtered in the corresponding period in 2018.

Imports of prime cattle from ROI for direct slaughter in NI plants last week consisted of 41 prime cattle and 21 cows, while eight steers and 40 cows were imported from GB for direct slaughter. Exports of cattle out of NI for direct slaughter to ROI last week consisted of 16 prime cattle and 83 cows with no exports of cattle were reported from NI to GB.

The deadweight prime cattle trade continued to come under pressure in NI last week. The average steer price last week was back by 3.1p/kg to 334.1p/kg while the R3 steer price decreased by 3.8p/kg to 341.9p/kg. The average heifer price in NI last week was back just over a penny to 338.1p/kg while the R3 heifer price decreased by 2.4p/kg to 343.1p/kg. The R3 steer and heifer prices last week are the lowest recorded prices in NI since October 2016. The average NI young bull price last week came back 4p/kg from the previous week to 314.6p/kg while the R3 young bull price decreased 1.8p/kg to 329.6p/kg. The NI cow trade also came under pressure last week with the average cow price recording a notable decrease of 7.5p/kg to 214.4p/kg,however the O3 cow price came back by just 0.7p/kg to 234.3p/kg.

In GB last week the deadweight prime cattle also came under pressure. The average steer price was back by 2.8p/kg to 344.3p/kg while the average R3 steer price was back 2.3p/kg to 351.1p/kg. This widened the differential in R3 steer prices last week between NI and GB to 9.2p/kg or £32 on a 350kg carcase. The average heifer price in GB last week was back by 3.5p/kg to 345.1p/kg while the average R3 heifer price decreased by 3.8p/kg to 351.1p/kg. The differential in R3 heifer prices last week between NI and the GB average narrowed to 8p/kg or £26 on a 320kg carcase. The cow trade in GB held relatively steady with the O3 cow price in GB reporting a marginal increase to 242.8p/kg, 8.5p/kg above the O3 cow price in NI.

In ROI last week a weakening in the euro resulted in the ROI deadweight prices decreasing in sterling terms. The R3 steer price last week was the equivalent of 317.4p/kg back by 4.2p/kg from the previous week while the R3 heifer price was also back by a similar margin to 328.3p/kg. The O3 cow price was back 3.3p/kg to 230.5p/kg.

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

W/E 02/03/19		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	343.2	324.7	356.1	356.2	352.8	353.9	354.6
	R3	341.9	317.4	355.4	356.8	347.3	347.1	351.1
	R4	340.7	318.4	357.1	365.8	348.7	344.5	356.3
	O3	333.8	302.9	335.6	335.6	321.1	325.8	329.4
	AVG	334.1	-	352.6	350.9	336.1	336.3	344.3
Heifers	U3	347.9	339.2	360.7	362.5	359.5	357.6	360.0
	R3	343.1	328.3	354.5	355.4	348.0	348.2	351.1
	R4	341.2	328.8	357.8	355.0	349.6	346.4	352.5
	O3	335.5	313.3	335.4	338.8	321.8	335.1	331.5
	AVG	338.1	-	355.7	347.9	337.7	339.0	345.1
Young Bulls	U3	325.8	303.6	350.3	342.0	335.1	341.3	341.1
	R3	329.6	293.6	337.9	333.2	326.4	338.1	331.3
	O3	314.6	279.8	309.6	301.0	289.4	313.3	298.3
	AVG	314.6	-	325.2	309.8	306.9	315.7	312.1
Prime Cattle Price Reported		6,571	-	7,165	7,339	7,985	5,224	27,713
Cows	O3	234.3	230.5	245.1	244.2	242.6	240.0	242.8
	O4	240.0	232.5	246.5	247.3	245.0	236.0	244.2
	P2	192.8	202.6	204.3	198.8	196.8	204.8	200.2
	P3	215.3	220.6	218.0	215.7	218.2	221.1	218.5
	AVG	214.4	-	242.7	229.4	217.8	215.8	223.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.04p 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 02/03/19	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	196	203	199	165	192	180
Friesians	147	157	151	135	146	142
Heifers	204	217	208	170	200	185
Beef Cows	140	178	155	115	139	127
Dairy Cows	108	129	116	70	107	90
Store Cattle (p/kg)						
Bullocks up to 400kg	220	261	240	200	219	210
Bullocks 400kg - 500kg	216	235	226	200	214	207
Bullocks over 500kg	210	224	217	180	209	195
Heifers up to 450kg	220	257	235	195	219	208
Heifers over 450kg	200	213	205	170	199	182
Continental Bulls	300	415	330	200	295	250
Continental Heifers	275	350	310	150	270	210
Friesian Bulls	130	200	165	58	128	95
Holstein Bulls	50	100	75	15	48	30

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 04/03/19	Next Week 11/03/19
Hoggets> 22kg	420-430p	410-430p

REPORTED SHEEP PRICES

(P/KG)	W/E 16/02/19	W/E 23/02/19	W/E 02/03/19
NI L/W Hoggets	395.0	399.2	401.2
NI D/W Hoggets	432.6	423.4	424.5
GB D/W Hoggets	424.1	419.7	415.5
ROI D/W	449.7	441.2	425.4

Deadweight Sheep Trade

BASE quotes from the major NI processors for R3 grade hoggets this week ranged from 420-430p/kg up to 22kg. Similar quotes are expected for early next week. A decline in the supply of hoggets for slaughter has been reported with 3,586 hoggets killed in NI last week. This takes the year to date hogget throughput to 47,116 head, back 20 per cent from the same period last year. A further 5,240 hoggets were exported to ROI for direct slaughter last week, taking exports for the year to date to 58,705 back 13,416 head from the 72,121 hoggets exported in the same period last year. The average deadweight hogget price in NI last week increased by just over a penny to 424.5p/kg while the average ROI hogget price decreased by 15.8p/kg to 425.4p/kg.

This week's marts

MANY of the marts have reported similar numbers passing through the sale rings this week compared to previous weeks with a steady trade reported. In Omagh last Saturday 408 hoggets sold from 382-449p/kg compared to 405 hoggets the previous week selling from 385-439p/kg. In Massereene on Monday 843 hoggets sold from 385-420p/kg compared to 733 hoggets last week selling from 390-447p/kg. In Rathfriland on Tuesday 300 hoggets sold from 380-466p/kg (avg 392p/kg) compared to last week when 250 hoggets sold from 370-428p/kg (avg 396p/kg). In Ballymena on Wednesday 1,774 hoggets sold to an average of 376p/kg compared to 1,368 hoggets last week selling to an average of 388p/kg. Top reported prices for first quality fat ewes ranged from £82-130 across the marts.

LATEST SHEEP MARTS

From: 02/03/19		Hoggets (P/KG LW)			
To: 07/03/19		No	From	To	Avg
Saturday	Swatragh	530	390	470	-
	Omagh	408	382	449	-
Monday	Massereene	843	385	420	-
	Kilrea	400	402	440	-
Tuesday	Saintfield	673	370	427	-
	Rathfriland	300	380	466	392
Wednesday	Ballymena	1774	310	459	376
	Enniskillen	695	368	417	-
	Armoy	386	380	414	-
	Markethill	1000	380	417	-

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