LMC
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UNCERTAINTY WILL IMPACT ON LAMB CROP THIS YEAR

REPORTS from the three major lamb processing plants in Northern Ireland have indicated an improvement in the supply of hoggets for slaughter in recent weeks. Throughput last week totalled 5,064 head which was up 933 head from the previous week.

A difficult lambing season in 2018 has a notable impact on the availability of lambs for slaughter in the second half of 2018 and this has continued into 2019. Forecasts have indicated a markedly lower carryover of hoggets from 2018 into 2019 than recorded in previous years. Total hogget throughput in local plants for 2019 to date was 56,311 head, a notable 22 per cent decline on the corresponding period in 2018.

Lower hogget availability in Northern Ireland has also impacted the number of hoggets being exported to plants in the Republic of Ireland for slaughter. During 2019 to date 69,194 hoggets have made the journey to plants in the Republic of Ireland for direct slaughter, back 18,088 head (21 per cent) from the same period last year

Processing plants in the Republic of Ireland have acted as an important outlet for the Northern Ireland sheep sector and has traditionally taken approximately half of the lambs produced in the region. The ongoing uncertainty around what the future relationship between the UK and the EU is a concern for many people involved in the NI sheep industry.

If no deal can be reached prior to the UK's departure from the trading bloc then WTO tariffs will be applied to NI lambs heading south for slaughter at point of export. The current tariff for live sheep is €80.50/100kg liveweight.

Assuming an average liveweight of a lamb/hogget of 44kg this would put the export tariff at €35.42/head. Using last week's average euro/sterling exchange rate the tariff equates to £30.38 per lamb exported. A tariff of this level would effectively shut off this important market outlet for the Northern Ireland sheep sector.

While there is potential for processing plants in Northern Ireland to increase slaughter capacity for sheep a market outlet still needs to be identified for any additional lamb that is processed. During 2018 local lamb processing plants exported approximately half of of their product to EU markets.

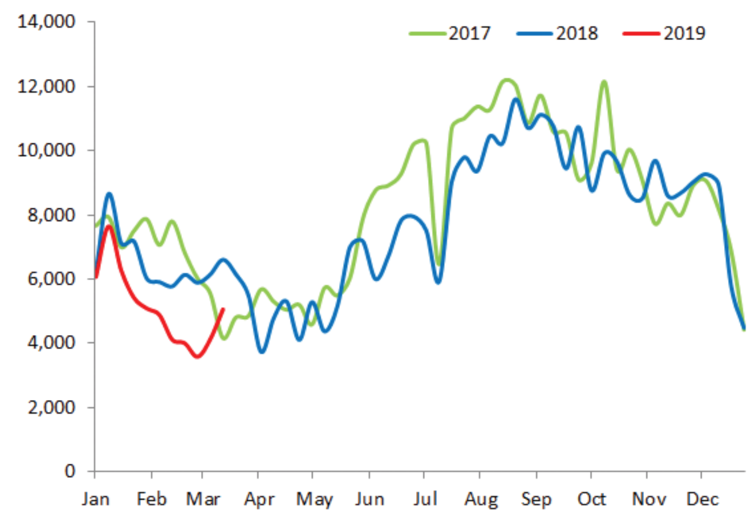
While UK consumers could undoubtedly increase consumption of domestically produced lamb in the short term domestic product tends to have a higher price point than imported product which could impact consumer spending. There are also issues around the seasonality of production in the UK with current peaks in demand for lamb not matching production systems.

While Spring 2019 has seen some very changeable weather production conditions in general have been much more favourable for sheep producers than experienced in Spring 2018. Reports have indicated similar scanning results in Northern Ireland to previous years and with favourable weather conditions helping reduce mortality at lambing this will most likely lead to an increase in lamb output per ewe this year.

However DAERA have just released the preliminary results of the December 2018 Agricultural Survey and this indicated a four per cent decline in breeding ewe numbers and a nine per cent decline in the number of ewe lambs that were tupped when compared to December 2017 levels.

This is the first time that sheep numbers in Northern Ireland have recorded a decline in the December Agricultural Survey since 2013. This decline in the breeding flock are most likely a reflection of the current uncertainties being faced by the Northern Ireland sheep sector and will go some way to offset any gains from reduced mortality on sheep farms this Spring.

Figure 1: Weekly lamb/hogget throughput in NI processing plants 2017-2019



EU GRANT CONDITIONAL EXTENSION TO BREXIT

WITH the Brexit deadline of 29 March 2019 looming just days away the European Council has agreed to extend the timeline for the UK's withdrawal from the European Union to 22 May 2019, which is the day before the start of European Parliament elections. However this extension is only an option if the Withdrawal Agreement is passed by the UK Parliament next week.

If the Withdrawal Agreement is not approved by UK MPs next week, the Council has also said it will grant an extension until 12 April 2019 "and expects the United Kingdom to indicate a way forward before this date for consideration." If UK MP's opt to reject the deal for the third time next week the UK still has the potential to leave the EU without a deal and WTO trading conditions would come into play.

This outcome, if allowed to happen in the absence of a realistic alternative, would have extremely serious consequences for the UK agri-food industry, and in particular Northern Ireland, as indicated in a number of studies completed over the past two years.

The European Council also highlighted that the Withdrawal Agreement negotiations would not be reopened, but the UK can add unilateral elements to the deal. "Any unilateral commitment, statement or other act should be compatible with the letter and spirit of the Withdrawal Agreement," it said.

European Council president Donald Tusk outlined in correspondence late this week that UK Prime Minister Theresa May had requested an extension of Brexit negotiations until 30 June 2019 to provide enough time to reach a House of Commons consensus to get the Withdrawal Agreement passed by MPs. However given the UK's reluctance to hold European Parliament elections the European Council has onlY granted an extension up until the 22 May 2019.

STRONG SUPPLIES OF ABERDEEN ANGUS CATTLE FOR SLAUGHTER

STRONG demand for Aberdeen Angus cattle and bonuses at point of slaughter have contributed to an increase in the use of Aberdeen Angus bulls in Northern Ireland. This has meant a steady increase in the number of Aberdeen Angus cattle on farms in Northern Ireland.

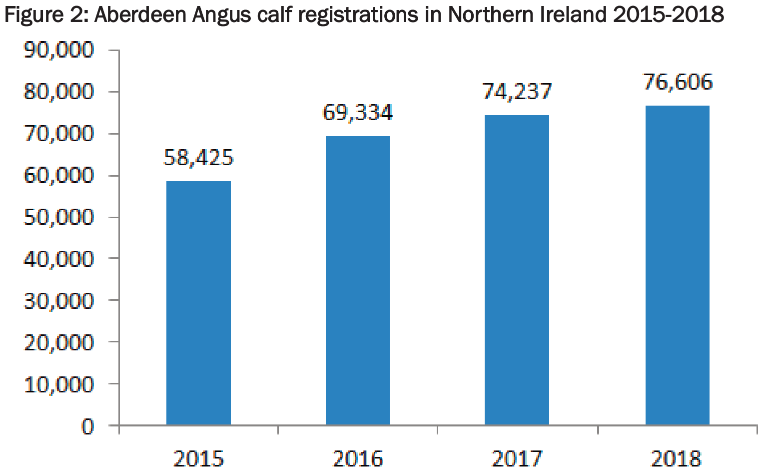
Aberdeen Angus calf registrations in Northern Ireland have been steadily increasing as outlined in Figure 2. There were 76,606 Aberdeen Angus calves registered last year, accounting for 22 per cent of all beef calf registrations in the region. This was an increase from 74,237 registrations recorded during 2017 which accounted for 20 per cent of all beef sired calf registrations. A similar growth in Aberdeen Angus calf registrations can be observed in all of the GB regions.

Most of the increase in Aberdeen Angus registrations in Northern Ireland have been to dairy cows with a smaller calf size, shorter gestation and a higher value calf to sell all benefitting the dairy producer. There has also however been some growth in the number of Aberdeen Angus calves registered to suckler cows.

The increase in Aberdeen Angus calf registrations has resulted in an increase in the number of Aberdeen Angus cattle being presented for slaughter in local plants. During 2018 there were 48,997 Aberdeen Angus price reported prime cattle in Northern Ireland, an 11 per cent increase from the 44,113 head recorded during the previous year.

During 2019 to date there have been 12,289 price reported Aberdeen Angus prime cattle in Northern Ireland. This is a notable 14 per cent increase from the 10,780 head killed in the same period in 2018.

Figure 2: Aberdeen Angus calf registrations in Northern Ireland 2015-2018



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WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 18/03/19	Next Week 25/03/19
Prime		
U-3	324 - 334p	328 - 334p
R-3	318 - 328p	322 - 328p
O+3	312 - 322p	316 - 322p
P+3	266 - 280p	270 - 280p
	Including bonus where applicable	
Cows		
O+3 & better	222 - 245p	222 - 245p
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 16/03/19	Steers	Heifers	Young Bulls
U3	337.7	340.7	329.1
R3	334.2	337.9	323.5
O+3	327.3	330.0	320.0

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 16/03/19	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	134.1	147.5	157.8	171.9
P2	158.5	178.4	199.2	209.7
P3	167.9	182.9	211.0	216.6
O3	-	249.6	227.9	235.2
O4	-	206.0	245.9	240.4
R3	-	-	-	257.4

Deadweight Cattle Trade

BASE quotes from the major NI processing plants for U-3 grade prime cattle ended the week ranging from 328-334p/kg this week with the majority of plants quoting in the region of 330-332p/kg for steers and heifers. Similar quotes are expected for early next week. The trade for good quality O+3 grade cows remained steady compared to previous weeks with quotes ranging from 222-245p/kg. The majority of plants are quoting 230-245p/kg, with similar quotes for good quality cows are expected for early next week.

Prime cattle throughput in NI last week totalled 6,679 head, a decrease of 549 head from the 7,228 head slaughtered the previous week. In the same week in 2018 6,577 prime cattle were slaughtered in local plants. In NI last week the numbers of cows slaughtered totalled 1,915 head an increase of 328 cows on the previous week. In the corresponding week in 2018 2,333 cows were slaughtered in local plants.

Imports from ROI for direct slaughter in NI plants last week consisted of 41 prime cattle and 23 cows while exports from NI to ROI for direct slaughter increased to 60 prime cattle and 125 cows from the previous week. Imports from GB for direct slaughter in NI last week consisted of 54 cows and two steers while no cattle made the journey to GB for direct slaughter.

The average steer price in NI last week decreased 2.3p/kg from the previous week to 331.4p/kg, while the R3 steer price was back 0.4p/kg to 340.1p/kg. In the corresponding week in 2018 the R3 steer price was 359p/kg, a decrease of 19p/kg year on year. The average heifer price in NI last week was 333.1p/kg, a decrease of 0.6p/kg from the previous week while the R3 heifer price was back by 2.8p/kg to 339.7p/kg. In the corresponding week in 2018 the R3 heifer price was 358.7p/kg, also a 19p/kg decrease year on year.

The deadweight trade for prime cattle in GB has come under pressure last week. The average steer price decreased by 3.5p/kg to 336.9p/kg while the R3 steer price was back by 1.8p/kg to 344.4p/kg. This puts the differential in R3 steer in NI and GB at 4.3p/kg compared to a differential of 6.3p/kg in the same week in 2018. The average heifer price in GB last week was 338.4p/kg, back 2.6p/kg from the previous week. The R3 heifer price in GB last week decreased by 3.5p/kg to 344.2p/kg putting the differential with NI at 4.5p/kg. In the same week in 2018 the differential was 2.3p/kg higher at 6.8p/kg.

In ROI last week the deadweight prime cattle prices held relatively steady. The R3 steer price was the equivalent of 316.1p/kg, up 0.6p/kg from the previous week while the R3 heifer price was up marginally to the equivalent of 328.2p/kg. This puts the differential with NI at 24p/kg for R3 steers and 11.5p/kg for R3 grade heifers. The O3 cow price came back by the equivalent of a penny to the equivalent of 231.2p/kg, 3.9p/kg below the NI O3 cow price.

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

W/E 16/03/19		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	338.5	322.7	346.4	351.3	347.6	345.9	347.7
	R3	340.1	316.1	346.5	350.0	343.4	339.8	344.4
	R4	339.5	317.7	349.0	357.7	344.0	338.8	349.3
	O3	329.5	301.7	326.7	326.9	316.2	317.2	321.7
	AVG	331.4	-	344.8	343.7	330.0	327.8	336.9
Heifers	U3	340.3	339.3	355.9	353.0	355.8	345.8	353.4
	R3	339.7	328.2	347.8	347.7	343.3	338.5	344.2
	R4	337.5	328.4	349.7	350.2	344.0	336.8	345.9
	O3	332.4	311.8	328.1	327.7	315.8	321.6	322.5
	AVG	333.1	-	347.6	345.0	330.6	329.3	338.4
Young Bulls	U3	328.1	300.4	333.0	332.6	342.4	332.3	333.7
	R3	324.2	292.4	334.8	323.7	331.6	313.8	328.5
	O3	309.4	277.9	303.9	294.1	291.5	298.4	295.1
	AVG	309.4	-	308.5	304.8	307.0	306.0	306.5
Prime Cattle Price Reported		5,827	-	7,152	7,052	7,534	5,143	26,881
Cows	O3	235.1	231.2	249.8	249.4	247.2	247.8	248.3
	O4	240.4	232.2	252.2	248.2	247.2	241.8	247.3
	P2	200.1	202.1	214.5	201.8	199.7	206.9	203.7
	P3	213.9	220.6	221.9	219.7	223.6	221.8	222.3
	AVG	218.7	-	242.9	232.2	218.7	217.0	224.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.78p 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 16/03/19	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	194	203	196	165	193	180
Friesians	148	162	153	130	143	138
Heifers	197	206	200	172	196	185
Beef Cows	130	169	144	110	129	120
Dairy Cows	104	126	114	70	101	85
Store Cattle (p/kg)						
Bullocks up to 400kg	220	260	240	200	219	210
Bullocks 400kg - 500kg	210	238	224	190	209	200
Bullocks over 500kg	200	212	207	170	199	185
Heifers up to 450kg	220	250	235	190	219	205
Heifers over 450kg	195	208	200	165	194	180
Dropped Calves (£/head)						
Continental Bulls	310	410	340	210	305	260
Continental Heifers	280	380	320	150	275	210
Friesian Bulls	125	190	150	70	120	90
Holstein Bulls	115	155	135	2	110	55

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 18/03/19	Next Week 25/03/19
Hoggets> 22kg	410-420p	410-420p

REPORTED SHEEP PRICES

(P/KG)	W/E 02/03/19	W/E 09/03/19	W/E 16/03/19
NI L/W Hoggets	401.2	394.1	390.3
NI D/W Hoggets	424.5	427.2	421.0
GB D/W Hoggets	415.5	417.0	419.3
ROI D/W	425.4	426.4	422.1

Deadweight Sheep Trade

BASE quotes from the major processors for R3 grade hoggets ended the week ranging from 410-420p/kg with plants paying up to 22kg. Similar quotes are expected for early next week. The NI plants throughput last week totalled 5,064 head, an increase of 933 head from the previous week. Exports of hoggets from NI to ROI last week totalled 5,378 an increase of 267 hoggets. The NI deadweight hogget price last week decreased by 6.2p/kg to 421p/kg from the previous week. This is considerably back when compared to the same week in 2018 when the NI hogget price was 514.2p/kg. The ROI deadweight sheep price last week also decreased by the equivalent of 4.3p/kg to 422.1p/kg from the previous week. Also considerably back when compared to the same week last year when the ROI sheep price was 507.7p/kg.

This week's marts

THERE was a slightly quieter trade across the marts this week with many of the marts reporting smaller numbers being offered for sale. In Omagh last week 208 hoggets sold from 369-421p/kg compared to 618 hoggets previous week selling from 364-424p/kg. In Massereene this week 706 hoggets sold from 385-416p/kg compared to 903 hoggets last week selling from 370-420p/kg. In Ballymena on Wednesday 886 hoggets sold from 360-429p/kg (avg 370p/kg) compared to 1,032 hoggets last week selling from 360-440p/kg (avg 375p/kg). In Markethill this week 570 hoggets sold from 390-427p/kg compared to 1,080 hoggets last week selling from 370-415p/kg. Across the marts well fleshed cull ewes reported top prices in the region of £100.

LATEST SHEEP MARTS

From: 16/03/19		Hoggets (P/KG LW)			
To: 21/03/19		No	From	To	Avg
Saturday	Swatragh	720	380	432	-
	Omagh	208	369	421	-
Monday	Massereene	706	385	416	-
	Kilrea	450	394	424	-
Tuesday	Saintfield	350	360	396	-
	Rathfriland	282	358	409	383
	Armoy	362	380	435	-
Wednesday	Ballymena	886	360	429	370
	Enniskillen	380	368	402	-
	Markethill	570	390	427	-

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