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SOME RECOVERY IN DEADWEIGHT CATTLE PRICES

The average R3 steer price in NI last week was 342.5p/kg which was unchanged from the previous week. The heifer R3 heifer price in NI last week was also similar to the previous week at 342.9p/kg. This stability in the prices paid comes after three consecutive weeks in which the deadweight prices for prime cattle in NI increased.

However while deadweight prices for prime cattle have been showing some signs of improvement in recent weeks the trade remains well behind previous years as outlined in Figure 1. With an average R3 steer price in NI last week of 342.5p/kg the value of a 350kg carcase was £1,199 prior to reductions. In the same week in 2018 the same carcase was worth £1,287 and in the same week in 2017 it was worth £1,260.

Several factors have contributed to the downward pressure on deadweight cattle prices in NI since autumn 2018 including weaker demand for beef from major customers, increased cattle supplies for slaughter, higher carcase weights and reduced returns for fifth quarter products from international markets.

Reports have indicated that the improvement in market conditions in NI over the last few weeks stem from some stability in demand for beef from major customers and some tightening in the availability of cattle for slaughter in all parts of the UK. The deadweight prices have shown some recovery in all regions; however the rate of increase in deadweight prices has been much higher in GB than recorded in NI.

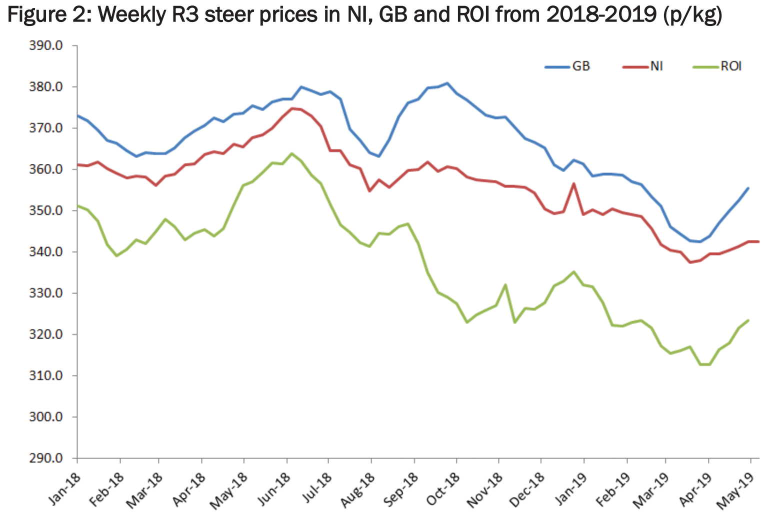
In the last four weeks the average R3 steer price in GB has increased by 9p/kg while the R3 steer price in NI has increased by 3p/kg. This has widened the differential between R3 steer prices in NI and the average R3 steer price in GB as outlined in Figure 2. The differential in R3 steer prices between the two regions was 13.7p/kg last week which was the widest differential recorded since December 2018.

There has also been an improvement in the deadweight cattle trade in ROI in recent weeks as outlined in Figure 2. The R3 steer price in ROI increased by 11p/kg over the last four weeks to give an average R3 steer price last week of 327.2p/kg. The deadweight cattle trade in ROI has improved at a faster rate than the trade in NI over the past few weeks. This has narrowed the differential in R3 steer prices between the two regions from 23.1p/kg in the w/e 13 April 19 to 15.3p/kg last week.

ROI continues to export approximately half of the beef it processes to the UK market. An improvement in deadweight cattle prices in ROI works to the advantage of the NI beef market by reducing the cost competitiveness of imported beef from ROI by key retail and foodservice customers in the UK.

Figure 1: Deadweight cattle prices in NI have improved in recent weeks but remain well behind previous years.

Figure 2: Weekly R3 steer prices in NI, GB and ROI from 2018-2019 (p/kg)



NI COW THROUGHPUT WELL BACK FROM 2018 LEVELS

A very strong cow throughput in local processing plants during the first nine months of 2018 contributed to the overall reduction in cow numbers recorded in NI by the Agricultural Census in December 2018. Suckler cow numbers were back by five per cent while dairy cow numbers were back by one per cent.

During 2019 to date 31,441 cows have passed through local processing plants which is an 18 per cent reduction on the corresponding period in 2018 when 38,407 cows were killed in local plants. In the same period in 2017 there were 33,698 cows were killed in local plants.

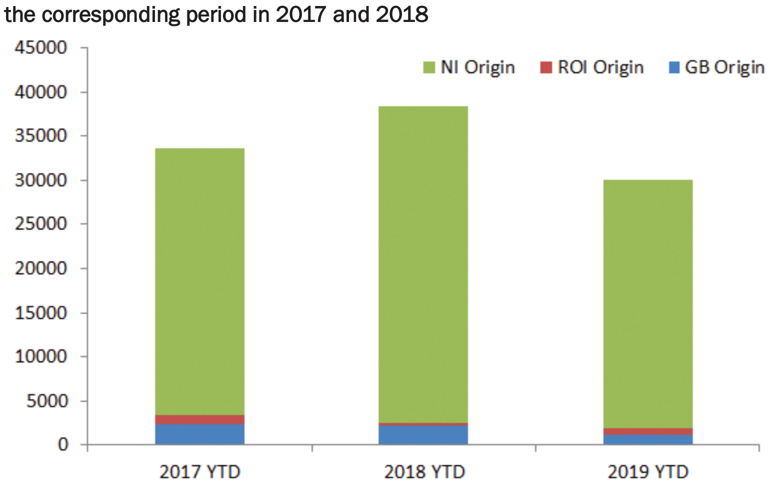
The smaller domestic cow herd combined with better production conditions on NI farms this spring have contributed to the much lower cow throughput in local plants during 2019 to date. In addition there has been a decline in the total number of cows being imported for direct slaughter in local plants when compared to previous years.

However while total cow imports have declined there have been some different trends recorded across the regions. The number of cows imported from GB for direct slaughter during 2019 to date totalled 1,113 head, back 50 per cent from the 2,221 head imported during the same period in 2018.

Meanwhile the number of cows imported from ROI for direct slaughter has totalled 854 head during 2019 to date, up 516 head from the 338 cows imported during the corresponding period in 2018.

The dairy/suckler mix in the NI cow kill during 2019 to date has been similar to previous years with 38 per cent of price reported cows coming from the suckler herd and the remaining 62 per cent from the dairy herd.

Figure 3: Total NI cow throughput broken down by source during 2019 to date and the corresponding period in 2017 and 2018



FAO FOOD PRICE INDEX INCREASES

THE FAO Food Price Index is a measure of the monthly change in the global cost of a basket of food commodities. During April 2019 the Food Price Index increased by 2.5 points to just over 170 points which is the highest level recorded since June 2018. Despite the recent increases the Food Price Index remains lower than April 2018 levels when the Index was at 174 points.

Increases in the Food Price Index have been driven primarily by a firming in global meat and dairy prices and to a lesser extent by the increased cost of vegetable oils and sugar. The only index to record a decline during April 2019 was cereals.

The FAO Meat Price Index was 169.1 points during April 2019. This was an increase of 4.9 points from March 2019 levels and the highest recorded level since April 2018. There has been a strong increase in global pig prices in response to strong import demand from China, where African Swine Fever has impacted domestic production. Global prices for beef, sheepmeat and poultry have all increased in response to tighter supplies on global markets.

The FAO Dairy Index averaged 215 points in April 2019, up 10.7 points from March 2019 levels. Price quotations for butter, whole milk powder and cheese all increased during April in anticipation of tighter global supplies. The on-going drought in Oceania has impacted the availability of dairy products for export and has reinforced the impact of the seasonal decline in milk production in the region.

The FAO Vegetable Oil Price Index and the Sugar Price Index both increased slightly to 128.7 points and 181.7 points respectively during April 2019 which has contributed to the overall increase in the FAO Food Price Index.

Meanwhile the FAO Cereal Price Index was back 4.7 points to 160 points in April 2019. Large export availabilities and reduced demand combined with strong production forecasts for 2019 have all contributed to this downward trend.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 13/05/19	Next Week 20/05/19
Prime		
U-3	332 - 338p	332 - 338p
R-3	326 - 332p	326 - 332p
O+3	320 - 326p	320 - 326p
P+3	272 - 282p	272 - 282p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 252p	240 - 252p
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 11/05/19	Steers	Heifers	Young Bulls
U3	342.5	346.3	335.5
R3	339.5	340.3	332.2
O+3	331.6	331.8	320.2

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 11/05/19	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	149.4	169.2	186.7	196.8
P2	167.9	195.5	218.3	230.9
P3	192.8	221.8	235.5	240.1
O3	-	228.0	248.4	254.3
O4	-	-	240.1	257.7
R3	-	-	-	275.9

Deadweight Cattle Trade

BASE quotes from the plants for U-3 grading prime cattle ranged from 332-338p/kg this week with similar quotes expected for early next week. Producers should use these quotes as a starting point for negotiation with higher prices available, particularly for cattle that meet current market specifications. The deadweight cow trade is also holding steady this week with quotes this week ranging from 240-252p/kg for good quality O+3 grading cows.

Some of the major processing plants have indicated a tightening in the supply of prime cattle for slaughter. Prime cattle throughput in local plants last week was back slightly from the previous week at 6,408 head. Cow throughput in NI has remained subdued with 1,415 cows slaughtered in local plants last week. Cow throughput in local plants during the last six weeks has totalled 8,521 head, 26 per cent behind the same period in 2018.

The deadweight trade for prime cattle stabilised in NI last week after several weeks of improvement. The average steer price was unchanged at 334.6p/kg with the R3 steer price also unchanged at 342.5p/kg. The average heifer price increased by just over half a penny last week to 338.3p/kg while the R3 heifer price was back marginally to 342.9p/kg. The trade for young bulls improved in NI last week with both the U3 and R3 prices increasing by 2.2p/kg. The cow trade also recorded an improvement in NI last week with the O3 cow price increasing by 3.4p/kg to 253.8p/kg. The P3 cow price increased by 4.2p/kg to 238.2p/kg.

The deadweight trade for prime cattle in GB improved last week with the average steer price up by 1.8p/kg to 349.4p/kg while the average R3 steer price was up by 0.7p/kg to 356.2p/kg. The R3 steer price improved in Northern England (+2.1p/kg) and the Midlands and Wales (+0.9p/kg) with marginal declines reported in Scotland and Southern England. The differential in R3 steer prices between NI and GB was 13.7p/kg last week or £48 on a 350kg carcase. The average heifer price in GB last week held steady at 350.7p/kg while the R3 heifer price reported an increase of 2.7p/kg to 358.8p/kg. The R3 heifer price improved in all of the GB regions with the strongest increase in Southern England (+4.3p/kg). Last week the differential between NI and GB R3 heifer price was 15.9p/kg or £51 on a 320kg carcase. The cow trade also improved in GB this week with the O3 cow price up by 0.7p/kg to 270p/kg.

The deadweight trade has also continued to firm in ROI last week with the R3 steer price up by the equivalent of 3.7p/kg to 327.2p/kg. This puts the differential between ROI and NI for R3 grade steers at 15.3p/kg. The ROI R3 heifer price was also up by 4.1p/kg to the equivalent of 338.1p/kg which puts the ROI price at 4.8p/kg lower than the NI R3 heifer price. Prime cattle throughput in ROI last week totalled 22,195 head, back 1,820 head from the previous week. The cow trade also firmed in ROI last week with the O3 cow price up 8.4p/kg to 256.6p/kg. This was 2.8p/kg higher than the equivalent price in NI.

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

W/E 11/05/19		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	342.5	336.2	366.7	354.6	358.0	359.5	359.5
	R3	342.5	327.2	364.3	354.6	354.0	351.7	356.2
	R4	342.5	331.2	368.1	359.0	351.9	352.2	358.1
	O3	332.4	313.2	346.3	334.9	331.2	333.7	336.4
	AVG	334.6	-	363.5	347.2	342.9	344.1	349.4
Heifers	U3	346.7	350.0	372.7	360.5	365.1	363.9	365.7
	R3	342.9	338.1	367.0	356.8	356.2	354.9	358.8
	R4	341.8	338.8	366.8	353.6	354.5	353.3	357.2
	O3	334.7	322.7	348.2	337.8	327.5	338.7	337.8
	AVG	338.3	-	364.7	348.7	344.0	345.3	350.7
Young Bulls	U3	334.7	323.3	362.3	348.4	354.0	352.1	353.5
	R3	332.8	311.7	355.8	342.2	343.9	345.3	345.6
	O3	316.3	298.0	328.9	318.4	307.2	335.5	316.5
	AVG	322.3	-	353.7	332.4	332.8	336.6	337.0
Prime Cattle Price Reported		5,615	-	6,681	6,743	7,223	4,319	24,966
Cows	O3	253.8	256.6	277.8	267.1	268.4	271.7	270.0
	O4	257.5	257.7	279.3	273.5	267.2	261.6	269.8
	P2	217.3	233.2	240.9	223.6	223.1	233.4	227.6
	P3	238.2	250.1	251.3	241.1	241.5	252.8	245.1
	AVG	239.6	-	271.7	254.9	238.3	244.8	247.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.92p 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 11/05/19	1st QUALITY From	1st QUALITY To	1st QUALITY Avg	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Avg
Finished Cattle (p/kg)						
Steers	208	224	212	185	207	198
Friesians	150	152	151	144	150	147
Heifers	205	215	210	178	203	190
Beef Cows	150	184	167	125	149	138
Dairy Cows	112	147	119	70	111	90
Store Cattle (p/kg)						
Bullocks up to 400kg	240	274	250	215	239	225
Bullocks 400kg - 500kg	220	249	235	200	219	210
Bullocks over 500kg	200	220	210	170	199	185
Heifers up to 450kg	220	257	235	190	219	200
Heifers over 450kg	205	226	215	170	204	190
Dropped Calves (£/head)						
Continental Bulls	330	490	380	220	325	275
Continental Heifers	250	340	295	140	245	195
Friesian Bulls	130	250	190	65	125	90
Holstein Bulls	90	140	115	10	85	50

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 13/05/19	Next Week 20/05/19
Spring Lambs> 21kg	470p	440-455p

REPORTED SHEEP PRICES

(P/KG)	W/E 27/04/19	W/E 04/05/19	W/E 11/05/19
NI L/W Hoggets	397.1	391.4	341.7
NI D/W Hoggets	442.9	448.8	420.2
GB D/W Hoggets	465.8	462.1	454.7
ROI D/W	463.1	460.9	463.4
NI L/W Spr Lambs	464.9	450.7	453.3
NI D/W Spr Lambs	483.5	473.7	473.6
GB D/W Spr Lambs	510.5	513.7	514.2

Deadweight Sheep Trade

BASE quotes from the major NI plants for spring lambs ended this week ranging from 440-455p/kg up to 21kg with similar quotes expected for Monday. Lamb/hogget throughput in NI plants last week totalled 5,178 head, which was similar to the previous week. This is an increase of 800 head when compared to the 4,378 lambs/hoggets slaughtered locally in the same week last year. Exports of lambs/hoggets to ROI for direct slaughter last week totalled 3,205 head, a decrease of 1,259 head from the previous week. The deadweight spring lamb price in NI last week remained steady at 473.6p/kg while in ROI the combined lamb/hogget deadweight price was up 2.5p/kg to 463.4p/kg.

This week's marts

INCREASING numbers of spring lambs passed through the marts this week with prices back when compared to last week. In Omagh last Saturday 79 spring lambs sold from 432-477p/kg compared to 51 spring lambs the previous week selling from 418-454p/kg. In Kilrea on Monday 160 spring lambs sold from 405-430p/kg compared to 180 spring lambs last week selling from 420-446p/kg. In Rathfriland on Tuesday 351 spring lambs sold from 392-425p/kg (avg 400p/kg) compared to 317 spring lambs last week selling from 435-490p/kg (avg 468p/kg). In Enniskillen this week 238 spring lambs sold from 400-430p/kg compared to 302 spring lambs last week selling from 432-470p/kg. The ewe trade has continued at similar levels with top reported prices ranging from £90-144 across the marts.

LATEST SHEEP MARTS (P/KG LW)

From: 10/05/19		Hoggets				Spring Lambs			
To: 16/05/19		No	From	To	Avg	No	From	To	Avg
Friday	Newtownstewart	-	-	-	-	84	423	452	-
Saturday	Swatragh	410	375	423	-	-	-	-	-
	Omagh	235	322	372	-	79	432	477	-
Monday	Massereene	178	350	395	-	249	430	470	-
	Kilrea	-	-	-	-	160	405	430	-
Tuesday	Saintfield	-	-	-	-	225	400	450	-
	Rathfriland	-	-	-	-	351	392	425	400
	Armoy	-	-	-	-	114	385	425	-
Wednesday	Ballymena	-	-	-	-	400	380	420	400
	Enniskillen	-	-	-	-	238	400	430	-
	Markethill	-	-	-	-	650	380	400	-

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