

PAID PRICES CONSISTENTLY ABOVE BASE QUOTES FROM PLANTS

QUOTES from the major beef processing plants in NI this week for U-3 grading prime cattle range from 312-320p/kg with the majority of plants quoting in the region of 320p/kg. Base quotes from the plants have shown some signs of stabilising in the last few weeks after a significant period during which prices were under pressure.

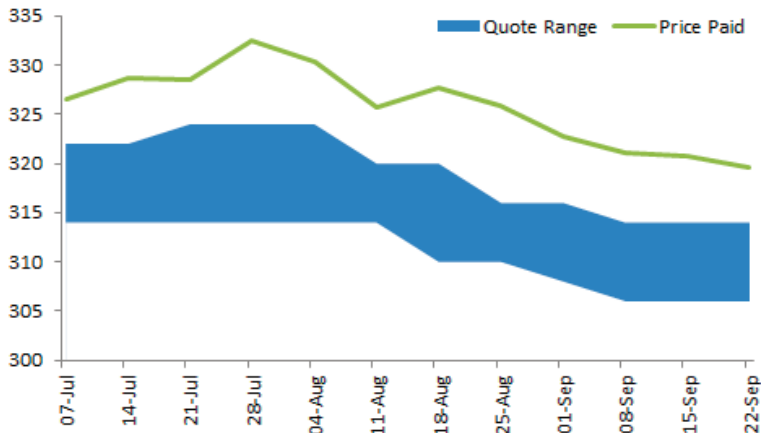
Prime cattle slaughtered in NI are generally paid for on a pricing grid which uses the U-3 quote as a base price to work out a value of other individual grades. It should however be noted that the agreed pricing grid is there as a guide only and there may be some variation in its application from plant to plant.

In reality the deadweight prices available for individual grades of prime cattle are primarily driven by supply and demand. The price paid for the finished beef animal is open to negotiation between the individual producer and the processor. With the degree of flexibility in the current pricing system there are often differences between what the plants are quoting for prime cattle and what is actually being paid.

not included in base quotes from the major processors.

This analysis indicates that higher prices are available than initial quotes would suggest for in spec R-3 grade steers and this differential has been maintained despite the deadweight beef trade continuing to come under pressure. It is however worth noting that some in spec R-3 grade steers were bought at, and below, the quoted prices during the period under analysis while other cattle were paid more.

Figure 1: Range of quoted base prices for R-3 grading steers and the actual price paid during the 12 weeks ending 22 September 2019



Deadweight cattle price reporting data allows a comparison to be drawn between the base quotes from the plants and the prices they paid. For the purposes of analysis we have used the deadweight prices paid for R-3 grade steers during the 12 weeks ending 22/09/2019. R-3 grading steers are the most common price reported grade in NI and therefore provide the most robust indicator of changes in the deadweight cattle trade.

Only steers that are in spec for age, weight, grade, number of farms and FQ status have been included in the dataset. Aberdeen Angus, Hereford and Organic cattle have also been removed as any bonuses paid for these cattle are

Figure 1 displays the quoted prices from the major beef processing plants in NI over the last twelve weeks for in-spec R-3 grading steers (blue area) while the red line indicates the average price paid. As indicated in the chart the prices paid have been consistently above the quoted prices during the period under analysis.

The average differential between the top quoted prices from the major NI processors and the prices recorded in any given week during the period under analysis was 7p/kg. During the 12 week period ending 22 September 2019 the differential between the top quoted price and the price paid ranged from 5p/kg to 10p/kg.

12 weeks ending 22/09/2019
Difference in quoted and paid R-3 steer price averaged 7p/kg

It should also be noted that R-3 grading steers that meet all other specification requirements meet the widest range of retailer orders and are therefore more likely to be rewarded by the market than other cattle. The differential between quoted price and price paid may not be as wide for other grades of cattle.

With a range in the prices paid for in-spec R-3 grade steers during any particular week producers are encouraged to produce cattle that meet market specifications and to use the base quotes from the major plants as a starting point for negotiation before presenting cattle for slaughter.

LAMB PRICES UNDER PRESSURE AS SUPPLIES INCREASE

QUOTES from local lamb processing plants for R3 grading lambs this week were in the region of 345-355p/kg with all plants paying up to 21kg.

The local deadweight trade has been under some pressure in recent weeks as outlined in Figure 2. The average deadweight price in NI last week was 23.3p/kg behind the corresponding week last year which is a differential of £4.90 on a 21kg carcass.

An increase in lamb throughput in line with normal seasonal trends has contributed to this pressure on prices. Lamb throughput in local plants last week totalled 8,892 head which takes total lamb throughput from June-September 2019 to 153,511 head. This is a six per cent increase from the corresponding period in 2018.

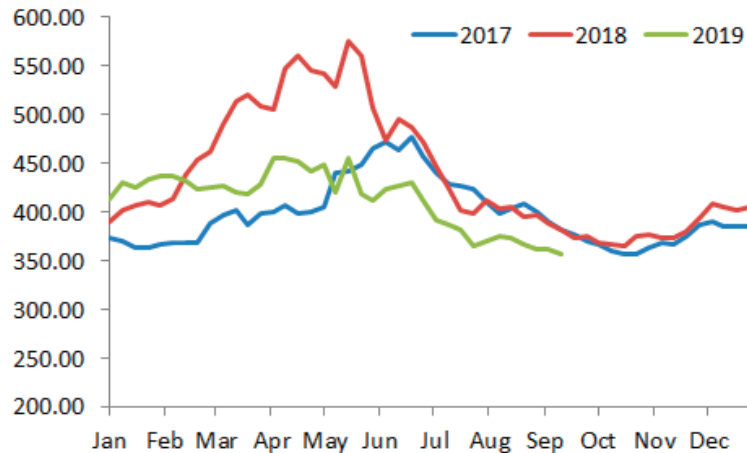
Exports of lambs from NI to ROI for direct slaughter have also increased. Last week 7,469 lambs made the journey to ROI which takes the total number of lambs exported for direct slaughter since June 2019 to 105,982

head. This is a two per cent increase from the same period in 2018.

This puts total output from the NI sheep flock at 259,493 head for the period June-September 2019, a 4.5 per cent increase from the same period in 2018. The increased availability of lambs for slaughter/export this year is due to the markedly better production conditions on NI farms in Spring 2019 when compared to the previous year.

This resulted in much lower levels of both ewe and lamb mortality on NI farms. In addition 2019 has been a relatively good grass growing year which has helped producers get lambs ready for slaughter quicker. There has also been an increase in average carcass weights with an average carcass weight during the 2019 period of 22.4kg, up from 21.3kg in the same period last year.

Figure 2: Weekly deadweight lamb/hogget prices in NI 2017-2019 (p/kg)



LAST CHANCE TO BOOK SHEEP CONFERENCE 2019

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Booking is via the UFU website www.ufuni.org/events
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WEDNESDAY 2 OCTOBER
Greenmount Campus, CAFRE

THURSDAY 3 OCTOBER
Silverbirch Hotel, Omagh

Future Proofing your Sheep Enterprise

- Improved results using genetics & grass
Duncan Neilless (Award-winning Northumberland sheep farmer)
- Protecting future flock productivity from OPA
Patricia Grant & Eileen McCloskey (CAFRE)
- Getting into grass
Liz Genever & Aurelie Aubry (AFBI)
- Maximising market returns
(Dunbia)

Both events start at 6pm
Attendance £15
Fee includes light supper
Book your place through www.ufuni.org/events

Sponsors: afbi, cafre, NSAI (National Sheep Association), ULSTER FARMERS' UNION, LMC, nimea



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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 23/09/19	Next Week 30/09/19
Prime		
U-3	312 - 320p	312 - 320p
R-3	306 - 314p	306 - 314p
O+3	300 - 308p	300 - 308p
P+3	252 - 262p	252 - 262p
	Including bonus where applicable	
Cows		
O+3 & better	235 - 250p	235 - 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.

Deadweight Cattle Trade

BASE quotes from the major processing plants for in-spec U-3 grade prime cattle have continued to hold steady this week ranging from 312-320p/kg with the majority of plants quoting 320p/kg for steers and heifers. Similar quotes are expected for next week and producers are encouraged to use these base quotes as a starting point for negotiation. The cow trade has also held steady with quotes for good quality O+3 grading cows ranging from 235-250p/kg across the plants.

The plants have reported steady supplies of all types of cattle coming forward to meet demand for beef. The prime cattle kill in NI plants last week was the highest weekly throughput during 2019 to date at 7,690 head. This was an increase of 303 head from the previous week. Throughput last week was up by 1,066 head from the same week last year when 6,624 prime cattle were killed in local plants. Cow throughput in NI plants last week held steady at 2,325 head and was similar to the 2,238 cows killed in the same week in 2018.

Imports of prime cattle from ROI for direct slaughter last week totalled 346 head, a 125 head increase from 221 head the previous week. Meanwhile cow imports from ROI totalled 55 head last week similar to the previous week. A further five steers and 64 cows were imported from GB last week for direct slaughter. Three prime cattle and 86 cows were exported from NI for slaughter in ROI plants last week, while a further 32 prime cattle and 25 cows were exported from NI for slaughter in plants in GB.

The average steer price in NI last week was back 2.3p/kg to 314.5p/kg while the R3 steer price was back 2p/kg to 323.1p/kg. In the corresponding week last year the R3 steer was 359.7p/kg. The average heifer price in NI last week decreased by 0.4p/kg to 319.3p/kg while the R3 heifer price was back by 1.5p/kg to 325.7p/kg, when compared to the same week in 2018 the R3 heifer price in NI was 362p/kg. The average cow price reported a decrease of 5.1p/kg to 224.2p/kg while the O3 cow price was back 1.2p/kg to 251.3p/kg.

In GB last week the average steer price was held fairly steady at 324.1p/kg while the R3 steer price was back by 0.6p/kg to 330.9p/kg. In the corresponding week last year the GB R3 steer price was 380p/kg. There was some variance across the regions with R3 steer prices increasing in Southern England (+2p/kg) and the Midlands (+0.5p/kg) and coming back in Scotland (-0.7p/kg) and in Northern England (-4.6p/kg). The average heifer price came back marginally by 0.3p/kg last week to 325.3p/kg while the R3 heifer price was back by 1.2p/kg to 330.4p/kg. The GB R3 heifer price in the same week in 2018 was 379.7p/kg. The overall O3 cow price in GB last week came back 2.5p/kg to 249.2p/kg.

In ROI last week the R3 steer price was back by the equivalent of 2.7p/kg to 305.6p/kg while the R3 heifer price was back by 1.7p/kg to 314.3p/kg. The O3 cow price remained steady at the equivalent of 253.6p/kg last week.

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

	W/E 21/09/19	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	321.9	310.0	344.0	330.8	331.3	330.6	334.2
	R3	323.1	305.6	339.8	332.0	326.9	326.2	330.9
	R4	319.3	302.8	344.1	339.3	326.4	327.2	335.3
	AVG	317.2	291.4	319.3	312.4	302.3	310.7	311.0
Heifers	U3	328.9	323.9	349.6	334.7	339.4	334.3	340.1
	R3	325.7	314.3	341.6	327.2	327.1	325.2	330.4
	R4	325.3	311.9	342.9	330.5	328.2	327.7	332.6
	AVG	316.0	302.4	326.3	309.0	302.0	309.1	311.6
Young Bulls	U3	318.1	292.2	327.2	316.6	326.3	316.5	322.9
	R3	320.4	286.5	323.4	316.2	314.6	312.2	316.5
	O3	295.8	275.8	292.8	293.1	291.5	287.2	291.7
	AVG	304.1	-	319.3	305.0	301.9	299.5	305.6
Prime Cattle Price Reported	6,559	-	7,444	7,757	8,135	5,017	28,353	
Cows	O3	251.3	253.6	253.8	248.4	250.4	246.0	249.2
	O4	254.7	252.2	255.0	250.8	251.6	244.0	250.4
	P2	214.5	226.8	211.9	203.7	206.6	213.0	208.5
	P3	232.5	244.3	227.5	218.7	225.8	223.1	224.4
AVG	224.2	-	246.2	227.8	216.7	215.4	222.6	

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.60p 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

REPORTED NI CATTLE PRICES - P/KG

W/E 21/09/19	Steers	Heifers	Young Bulls
U3	321.4	328.9	316.2
R3	318.8	324.5	313.5
O+3	311.8	314.1	295.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 21/09/19	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	148.8	164.9	174.1	183.5
P2	170.3	190.3	206.8	224.4
P3	180.0	212.0	229.9	234.0
O3	-	228.4	246.7	252.0
O4	206.0	-	247.8	255.1
R3	-	-	258.0	269.4

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 21/09/19	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	195	202	197	170	194	182
Friesians	140	145	143	102	130	116
Heifers	192	202	196	170	186	178
Beef Cows	140	182	159	115	139	127
Dairy Cows	102	113	108	65	101	85
Store Cattle (p/kg)						
Bullocks up to 400kg	205	230	218	170	204	185
Bullocks 400kg - 500kg	200	216	208	165	199	180
Bullocks over 500kg	180	197	188	160	179	172
Heifers up to 450kg	195	214	205	165	194	180
Heifers over 450kg	185	198	192	160	184	172
Dropped Calves (£/head)						
Continental Bulls	275	350	380	180	270	225
Continental Heifers	240	300	270	135	235	185
Friesian Bulls	120	265	178	50	115	85
Holstein Bulls	-	-	-	-	-	-

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 23/09/19	Next Week 30/09/19
Lambs up to 21kg	345-355p	345p

REPORTED SHEEP PRICES

(P/KG)	W/E 07/09/19	W/E 14/09/19	W/E 21/09/19
NI L/W Lambs	321.5	317.8	312.4
NI D/W Lambs	362.4	357.7	350.9
GB D/W Lambs	386.6	378.9	374.2
ROI D/W	391.2	-	-

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grading lambs came under some pressure. Quotes at the end of the week were 345-350p/kg up to 21kg with similar quotes expected for early next week. The plants are reporting steady supplies of lambs to meet demand with 8,892 lambs killed locally last week. This is a decline of 600 lambs when compared to the previous week and back 558 lambs when compared to the 9,450 lambs killed in local plants the same week last year. Exports of sheep to ROI for direct slaughter last week totalled 7,469 head, similar to the previous week. The deadweight lamb price in NI last week was back 6.8p/kg from the previous week to 350.9p/kg.

This week's marts

MANY of the liveweight marts this week have reported prices under pressure with some of the marts reporting smaller numbers when compared to previous weeks. In Swatragh last Saturday 920 lambs sold from 305-335p/kg compared to 1,100 lambs last week selling from 325-350p/kg. In Kilrea on Monday 380 lambs sold from 305-313p/kg compared to 400 lambs selling from 300-372p/kg. In Rathfriland this week 642 lambs sold from 288-388p/kg (avg 317p/kg) compared to 572 lambs selling from 295-378p/kg (avg 314p/kg). In Enniskillen this week 483 lambs sold from 298-326p/kg compared to 402 lambs last week selling from 305-332p/kg. Top prices for cull ewes ranged from £74-100 across the marts with Saintfield reporting the top price of £100.

LATEST SHEEP MARTS (P/KG LW)

From: 20/09/19		Lambs			
To: 26/09/19		No	From	To	Avg
Friday	Newtownstewart	285	285	315	-
Saturday	Swatragh	920	305	335	-
	Omagh	1057	339	394	-
Monday	Massereene	911	300	323	-
	Kilrea	380	305	313	-
Tuesday	Saintfield	661	292	344	-
	Rathfriland	642	288	388	317
Wednesday	Ballymena	1804	290	326	298
	Enniskillen	483	298	326	-
	Armoy	274	290	335	-
	Markethill	1120	290	330	-

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