Livestock & Meat Commission

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INCREASE IN LOCAL BEEF THROUGHPUT

PRIME cattle throughput in Northern Ireland (NI) last week totalled 7,697 head which brings the prime cattle kill for the six weeks ending 13 October 2019 to 44,837 head. Current levels of throughput are running well ahead of previous years as outlined in Figure 1.

NI Prime Beef Production six weeks ending 13/10/2019

Throughput: 44,837 head (+12%)
Avg carcase weight: 347.4kg (+9.2kg)
Beef processed: 15,579 tonnes (+14.5%)

During the corresponding six week period in 2018 40,212 prime cattle were killed locally while throughput totalled 40,023 head in the same period in 2017. Current levels of throughput are 12 per cent ahead of the corresponding period in both 2017 and 2018

While there has been an increase in the number of beef cattle being processed the average carcase weights have also been on the increase. As outlined in Figure 2 the average prime cattle carcase weight during the six weeks ending 13 October 2019 was 347.4kg, 9.2kg ahead of the corresponding period in 2018 and 10.2kg ahead of the same period in 2017.

Reports have indicated that with a reduction in deadweight cattle prices in NI some producers are pushing cattle into heavier carcase weights in an attempt to maximise returns per head.

With more prime cattle passing through NI processing plants and higher average carcase weights the volume of prime beef handled by local processors has also increased. In the six weeks ending 13 October 2019 local plants processed 15,579 tonnes of beef carcases, a 14.5 per cent increase from the same period in 2018.

Great Britain

There has also been an increase in prime cattle throughput in Great Britain (GB) in recent months. During September 2019 (latest available data) 140,453 prime catle were slaughtered in GB, a 6.5 per cent increase from the corresponding period in 2018.

GB Prime Beef Production six weeks ending 13/10/2019

Throughput: 140,453 head (+6.5%)
Avg carcase weight: 338.3kg (n/c)
Beef processed: 58,100 tonnes (+7.2%)

Unlike in Northern Ireland however there has been no notable increase in average carcase weights in GB in recent weeks when compared to this time last year. During September 2019 the average prime cattle carcase weight in GB was 338.3kg, up slightly from the 337.3kg recorded in September 2018. During September 2019 there were 58,100 tonnes of beef from prime cattle processed by plants in GB, a 7.2 per cent increase from the 54,100 tonnes processed in September 2018.

Cow beef production

During the six weeks ending 13 October 2019 14,485 cows were killed in NI at an average carcase weight of 303kg. This was an increase from the 13,244 cows killed during the same period last year at an average carcase weight of 298kg. This increase in throughput and carcase weights has resulted in an 11 per cent increase in the volume of cow beef processed by local plants year on year.

Meanwhile in GB cow throughput during September 2019 totalled 47,880 head, marginally lower than the 47,907 cows processed in September 2018. There was however a notable increase in the average cow carcase weight from 287kg in September 2018 to 300kg in September 2019. This has resulted in a 4.5 per cent increase in the volume of cow beef processed in GB year on year.

Figure 1: Weekly prime cattle throughput in Northern Ireland during the 2017-2019 period

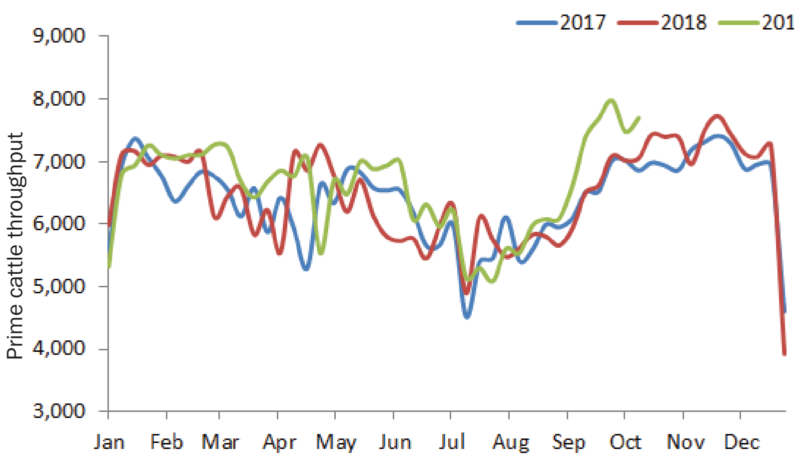
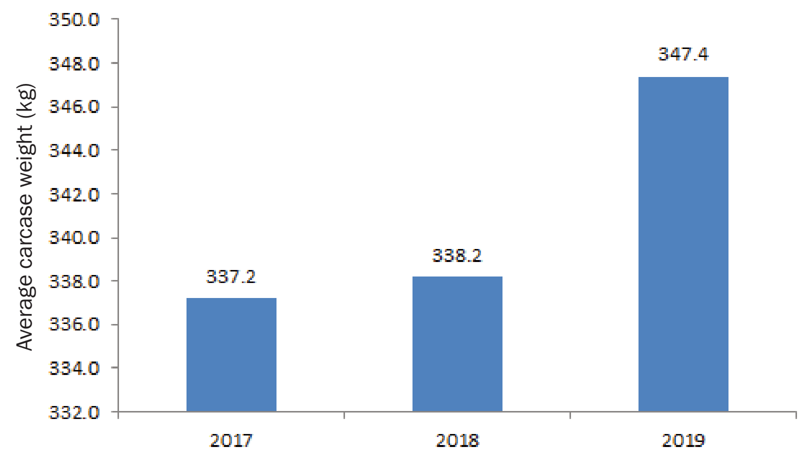


Figure 2: Average prime cattle carcase weights in NI during the six w/e 13/10/2019 and the corresponding periods in 2017 and 2018.



HUGE EXPORT OPPORTUNITIES IN JAPAN

THIS week LMC teamed up with Invest Northern Ireland in delivering a seminar focusing on opportunities for the meat sector in Japan. The event was well attended by key producer and processor stakeholders from the red meat industry. Early this year the UK regained access to the valuable Japanese market for both beef and lamb with the agreement estimated to be worth a total of £127 million over the first five years of access.

Image 1: Access to the Japanese market is expected to be worth £127 million over the next 5 years.

The lifting of the ban followed a series of visits and negotiations between UK and Japanese officials, which culminated in an inspection of UK beef and lamb production systems in 2018. The visit was organised and funded by the UK Export Certification Partnership (UKECP), of which LMC is a founding member.

Japanese beef market

Japan is the third largest economy in the world and with a population of 126.7 million people offers huge opportunities for meat exporters with the right level of access.

Demand for meat is steadily increasing in Japan as the popularity of fish continues to decline. This shift away from fish has created opportunities for other proteins in the Japanese market as any growth in overall meat consumption is limited by a declining and aging population.

For the next five years, meat consumption growth in Japan will be mainly driven by increases in demand for pork and poultry. Meanwhile beef consumption has the potential to grow strongly in Japan however overall increases in consumption will be limited by a decrease in domestic production and global supply constraints.

Demand for imported beef from both the retail and foodservice sectors has grown rapidly in Japan as it tends to be much more affordable compared to domestically produced product. Increasing food service and ready-to-eat demand in particular has contributed to this higher level of demand as well as a change in consumption habits by younger generations towards thick-cut steaks and leaner meat

Japan is currently 60 per cent reliant on imported beef to meet the growing consumer demand with the US and Australia dominating the market. Total beef imports are forecast to reach just over 800,000 tonnes cwe during 2019. While demand for carcase beef is growing the demand for offal products in Japan is also significant in terms of both volume and value. Japan is forecast to import just under 75,000 tonnes of offal during 2019, of which the US is expected to account for approximately 40,000 tonnes. There is a particularly strong market for tongues in Japan and this accounts for the majority of beef-offal imports from the US.

Japanese sheep meat

Sheep meat consumption in Japan is a very niche market and represents only a small fraction of overall meat consumption. Demand for sheepmeat is growing but from a very small base. With little or no domestic sheepmeat production in Japan the market is totally dependent on imports.

Image 2: Speakers at Invest NI's Meat Opportunities in China and Japan Seminar held on Thursday 17th October 2019.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 14/10/19	Next Week 21/10/19
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.

REPORTED NI CATTLE PRICES - P/KG

W/E 12/10/19	Steers	Heifers	Young Bulls
U3	320.2	328.6	314.3
R3	319.2	322.8	313.9
O+3	313.1	315.0	301.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 12/10/19	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	147.1	162.1	174.8	187.3
P2	164.9	189.6	213.7	224.2
P3	184.2	208.4	225.8	232.7
O3	214.0	234.4	239.3	251.3
O4	193.1	242.0	239.8	253.1
R3	-	-	270.0	269.3

Deadweight Cattle Trade

BASE quotes from the major NI processing plants this week for U-3 grade prime cattle held steady at 312-320p/kg. The majority of plants are quoting 318-320p/kg for steers and heifers so with the range of quotes available producers are encouraged to shop around to get the best possible deal. Quotes for good quality O+3 grading cows ranged from 235-250p/kg this week. Similar quotes for all types of cattle are expected early next week.

Prime cattle throughput in NI last week totalled 7,697 head up 215 head from the previous week and 643 head above the 7,054 prime cattle killed in the same week in 2018. Cow throughput in NI last week reported the highest weekly throughput during 2019 to date at 2,819 head. This was up by 314 cows from the previous week and up 511 cows from the 2,308 cows killed in local plants in the same week last year.

Imports of prime cattle from ROI for direct slaughter in local plants last week totalled 264 head with a further two steers imported from GB. Cow imports from ROI for direct slaughter last week totalled 84 head with a further 117 cows imported from GB. Prime cattle exports from NI last week totalled 24 head with seven head exported to ROI and a further 17 head intended for GB. Cow exports out of NI for direct slaughter totalled 94 head last week with 91 head destined for processing plants in ROI and the remaining three exported to plants in GB.

The average steer price reported in NI last week was 314.4p/kg, back just under a penny from the previous week. The R3 steer price decreased by 1.2p/kg last week to 322.9p/kg. The average heifer price in NI last week increased by 1.9p/kg to 319.7p/kg with the R3 heifer price increasing by 2.9p/kg to 327.9p/kg. The average young bull price in NI last week reported an increase of 0.8p/kg to 301.9p/kg with the R3 young bull price up by 5.9p/kg to 315.2p/kg. The cow trade in NI last week came back with the average cow price declining by a just over a penny to 224.3p/kg and the O3 cow price back by a similar margin to 250.1p/kg.

The average steer price in GB last week was back marginally to 322.8p/kg while the R3 steer price declined slightly to 330.1p/kg. The average heifer price in GB last week decreased by just over a penny to 323.6p/kg while the R3 heifer price was slightly back by 0.3p/kg to 329.8p/kg. The cow trade in GB continued to come under pressure with the average cow price back by 5.7p/kg to 213.4p/kg with strong declines reported in all regions. The average O3 cow price came back by 6.2p/kg to 242.3p/kg last week. The O3 cow price in GB was 7.8p/kg below the equivalent price in NI last week.

In ROI last week the R3 steer price increased by the equivalent of 0.6p/kg to 310.7p/kg while the R3 heifer price was up slightly to the equivalent of 319.5p/kg. The cow trade in ROI last week came back with the O3 cow price decreasing by 3.9p/kg to 246.3p/kg.

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

W/E 12/10/19		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	321.6	317.4	342.1	332.6	331.2	330.1	334.1
	R3	322.9	310.7	339.5	330.5	326.2	324.4	330.1
	R4	322.2	309.6	344.2	341.8	327.6	322.6	336.2
	O3	315.8	292.8	323.6	309.1	301.1	303.6	309.3
	AVG	314.4	-	338.7	324.4	314.4	312.1	322.8
Heifers	U3	329.3	329.3	344.6	337.5	337.0	327.6	337.5
	R3	327.9	319.5	337.7	330.4	328.0	323.6	329.8
	R4	325.1	317.3	341.9	330.5	328.8	325.3	332.1
	O3	317.7	305.8	323.8	316.1	299.8	303.1	310.5
	AVG	319.7	-	339.2	323.0	318.7	311.5	323.6
Young Bulls	U3	314.4	300.6	330.5	318.9	319.0	318.7	321.1
	R3	315.2	290.5	322.6	315.7	314.3	308.6	315.9
	O3	294.9	275.2	297.2	275.4	281.9	264.8	282.4
	AVG	301.9	-	315.6	303.6	305.3	289.8	305.6
Prime Cattle Price Reported		6,486	-	6,758	7,068	7,717	4,754	26,297
Cows	O3	250.1	246.3	242.4	244.0	242.2	240.6	242.3
	O4	252.0	247.1	246.6	242.7	243.2	235.0	241.7
	P2	214.8	217.9	209.2	195.2	202.5	208.2	203.6
	P3	230.0	235.4	222.1	213.5	217.2	218.9	217.8
	AVG	224.3	-	233.3	215.0	210.1	207.8	213.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.29p 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 12/10/19	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	192	200	195	170	191	180
Friesians	130	135	132	110	124	118
Heifers	194	209	200	170	192	183
Beef Cows	143	193	156	120	142	130
Dairy Cows	105	122	109	60	104	83
Store Cattle (p/kg)						
Bullocks up to 400kg	210	237	220	175	209	195
Bullocks 400kg - 500kg	210	229	218	170	209	190
Bullocks over 500kg	190	206	198	160	189	178
Heifers up to 450kg	190	209	200	160	189	175
Heifers over 450kg	180	192	185	150	179	165
Dropped Calves (£/head)						
Continental Bulls	270	340	310	175	265	225
Continental Heifers	230	280	255	125	225	180
Friesian Bulls	125	180	155	30	110	70
Holstein Bulls	100	155	120	1	95	45

SHEEP TRADE

SHEEP BASE QUOTES		
(P/Kg DW)	This Week 14/10/19	Next Week 21/10/19
Lambs up to 21kg	340-345p	345p

REPORTED SHEEP PRICES			
(P/KG)	W/E 28/09/19	W/E 05/10/19	W/E 12/10/19
NI L/W Lambs	307.7	302.6	313.0
NI D/W Lambs	346.2	341.6	343.1
GB D/W Lambs	372.3	371.2	371.3
ROI D/W	380.3	377.8	374.4

Deadweight Sheep Trade

QUOTES from the plants for R3 grading lambs held steady at 340-345p/kg up to 21kg this week with quotes of 345p/kg expected for early next week. Throughput last week of lambs totalled 8,672 head, a decrease of 511 lambs from the previous week and back 1,248 head from the 9,920 lambs killed in the same week last year. Exports of lambs to ROI for direct slaughter last week totalled 8,296 head, an increase of 384 lambs from the previous week. The average deadweight lamb price in NI last week was 343.1p/kg, up 1.5p/kg from the previous week. In ROI last week the average deadweight lamb price was the equivalent of 374.4p/kg, a decrease of 3.4p/kg from the previous week.

This week's marts

THE marts have reported a steady trade with smaller numbers of lambs passing through the sale rings this week. In Omagh last Saturday 1,179 lambs sold from 342- 422p/kg compared to 1,298 lambs the previous week selling from 343-425p/kg. In Massereene on Monday 966 lambs sold from 300- 340p/kg compared to 942 lambs last week selling from 300-324p/kg. In Saintfield a similar trade this week saw 483 lambs sold from 300-355p/kg compared to 602 lambs last week selling from 300-353p/kg. In Ballymena on Wednesday 1,890 lambs sold from 277-336p/kg (avg 295p/kg) compared to 1,850 lambs last week selling from 279-339p/kg (avg 295p/kg). Top reported prices for ewes ranged from £74-£114 across the marts this week.

LATEST SHEEP MARTS (P/KG LW)					
From: 11/10/19		Lambs			
To: 17/10/19		No	From	To	Avg
Friday	Newtownstewart	510	285	320	-
Saturday	Swatragh	1100	280	336	-
	Omagh	1179	342	422	-
Monday	Massereene	966	300	340	-
	Kilrea	480	302	317	-
Tuesday	Saintfield	483	300	355	-
	Rathfriland	645	295	378	318
Wednesday	Ballymena	1890	277	336	295
	Enniskillen	285	300	348	-
	Armoy	336	295	328	-
	Markethill	990	300	330	-

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