

MEETING MARKET SPECIFICATIONS FOR PRIME CATTLE

PRODUCING prime cattle to meet the market specifications of the major UK retailers has become increasingly important in recent times with these markets providing the best returns for our high quality NI beef.

For this reason producers should aim to present cattle for slaughter within the desired specifications. Table 1 provides a guide to the current specification requirements across the plants. It should be noted that this is only a guide and that there may be variation across the plants so producers should consult with the procurement staff of individual processors before presenting cattle for slaughter.

The current specification for carcass weight is 280-380kg for steers and heifers. During August 2015 75.2 per cent of price reported heifers in NI met this weight requirement, a slight improvement on August 2014 when 73.9 per cent of heifer carcasses fulfilled the criteria. The average heifer carcass weight in NI during August 2015 was 318.5kg, a 6.1kg increase on August 2014 when the average carcass weight was 312.4kg.

The average steer carcass weight during August 2015 was 353kg, a 12.4 kg increase on August 2014 when the average carcass weight was 340.6kg. With steer carcass weights increasing year on year the proportion of steer carcasses meeting the 280-380kg weight specification has declined. In August 2014 64.4 per cent of price reported steers fulfilled the criteria and in August 2015 this declined to 60.1 per cent.

The proportion of steer carcasses in the 380-420kg weight range increased from 18.9 per cent in August 2014 to 24 per cent in August 2015 while the proportion of steer carcasses over 420kg increased to 8.9 per cent from 6.3 per cent in August 2014.

The current penalty quoted by the processors for prime cattle with carcasses over 420kg is 20p/kg with further penalties for cattle over 450kg in some plants. During August 2015 the average penalty on R3 grade steers over 420kg that were otherwise in spec was 9.4p/kg. It is important that clear market signals are given from processors to encourage the production of cattle that best meet current market specifications.

The current age requirement for steers and heifers (excluding premium cattle) is under 30 months and during August 2015 87 per cent of steers and 85 per cent of heifers fulfilled this requirement. The current penalty for cattle over 30 months of age is 10p/kg with the major processors. During August 2015 the average penalty on R3 grade steers and heifers over 30 months of age that were otherwise in spec was 7p/kg across the plants.

Young bulls under 16 months also meet the specifications of some of the major retailers. During August 2015 88 per cent of price reported young bulls were killed under 16 months compared to 83 per cent in August 2014. Young bulls accounted for 13 per cent of the prime cattle kill in NI during August 2015, unchanged from August 2014 levels. Current retail specifications also require prime cattle to have FQ status at point of

slaughter and during August 2015 98.5 per cent of price reported prime cattle in NI fulfilled this criteria. With such a high proportion of NI beef qualifying for FQ status it is difficult to quantify the level of penalties being applied to the small number of prime cattle slaughtered without FQ status. Quoted penalties from the plants range from £100-150 per head.

Another important aspect of many retail specifications is the number of farms that a beef animal has resided on in its lifetime. The criteria being applied by the processors at present is for four or less farms with penalties of up to £100 being applied for cattle that fail to meet this criteria. However as with FQ status outlined above the number of prime cattle failing to meet this criteria is very small and it is therefore difficult to quantify the level of penalty being applied for cattle failing to meet this criteria.

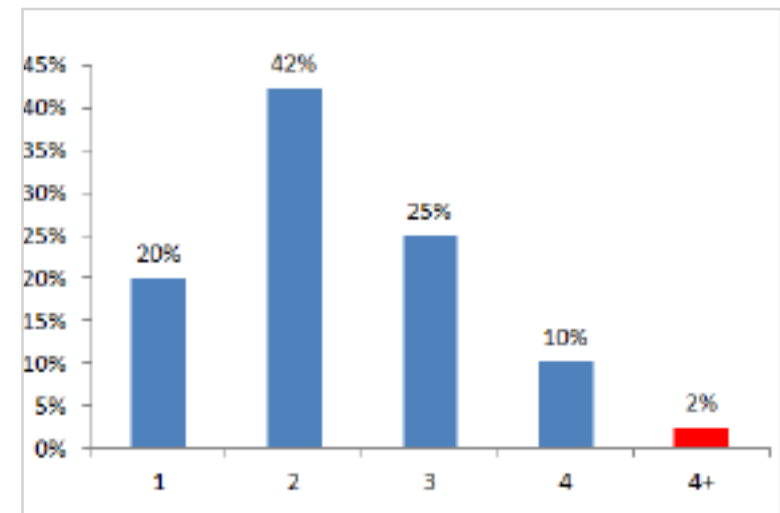
During August 2015 98 per cent of price reported steers and heifers resided on four or less farms as outlined in Figure 2. This is a slight increase on August 2014 when 96 per cent of price reported steers and heifers met this criteria.

Another key aspect of many retail specifications is that the animal must come straight from farm for slaughter and must have been on the last farm for between 21 and 90 days depending on the retailer being supplied. During August 2015 93 per cent of prime cattle slaughtered in NI plants fulfilled this criteria.

Figure 1: Current in spec criteria for prime cattle across the major NI processors

Current In Spec Criteria	
Grades	E,U,R, 3, 4-, 4= and O+3
Weight	280-380kg
Age	Under 30 Months (Steers and Heifers) Under 16 months (Young Bulls)
FQAS	Yes
Country of Origin	UK Only
No of Residencies	4 Farms or Less
Time on last farm	21-90 days
There may be variations from these criteria at different factories and some factories apply additional criteria	

Figure 2: Breakdown of the price reported prime cattle kill in NI during August 2015 by the number of farms resided on in the animals lifetime.



CONSIDER COSTS WHEN BUYING STORE LAMBS

WITH strong numbers of store lambs passing through the NI sheep marts in recent weeks and firm demand for the lambs on offer it is important that buyers have considered the economics of taking these store lambs through to slaughter.

Store lambs on good quality grazing can be expected to gain 180-200g per day during early September provided that the lambs purchased are of good quality. The performance of lambs at grass will ease back as the year progresses to 150-170g/day as you move into October and down to 100g/day in late October and November. Producers should take these growth rates into consideration when buying store lambs and consider supplementing lambs with meal to maintain performance and allow them to

meet finishing targets.

Reports have indicated that some beef farmers are opting to purchase store lambs as an alternative to competing for store cattle this year which has maintained the steady demand for store lambs. Given the changeable weather conditions in recent weeks some producers may opt to house cattle earlier which will lead to surplus grass covers which will provide suitable grazing for store lambs.

Producers should consider the weight, price and quality of the lambs on offer in the marts and try to buy store lambs that suit their finishing system. If grass supplies are limited then producers should opt for short keep store lambs and in cases where there are more plentiful grass supplies longer keep

store lambs may be a viable option. Where possible store lambs should be purchased in even batches as this should mean they all come fit for slaughter at a similar time. Producers should also remember to factor in miscellaneous costs such as mortality, veterinary and transport costs when calculating a finishing budget.

Meeting market specifications at point of slaughter will help maximise returns from finishing store lambs. The current specification from the major processors is for R grading lambs or better with a fat score of 2 or 3 and a carcass weight of 21kg. Processors also have a strong preference for lambs with FQ status with bonuses available in some plants while other plants will not handle non assured lambs.

FQAS NOTICE ONLINE PAYMENTS

LMC has launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

www.lmcni.com



FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the

FQAS helpline:
028 9263 3024

Answerphone Service
Factory Quotes &
Mart Results
Updated 5pm Daily

Tel: 028 9263 3011

Text Service
Free Price Quotes sent to your mobile
phone weekly

Email - bulletin@lmcni.com
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 31/08/15	Next Week 07/09/15
Prime		
U-3	324 - 326p	322 - 326p
R-3	318 - 320p	316 - 320p
O+3	312 - 314p	310 - 314p
P+3	268 - 296p	266 - 290p
Including bonus where applicable		
Cows		
O+3 & better	224 - 250p	224 - 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 29/08/15	Steers	Heifers	Young Bulls
U3	332.2	336.4	322.5
R3	329.6	330.8	319.5
O+3	318.7	320.3	314.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 29/08/15	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	124.9	136.9	140.8	157.6
P2	156.7	175.5	191.8	213.0
P3	198.3	204.5	210.2	225.4
O3	-	216.9	222.7	239.6
O4	-	220.0	230.9	245.2
R3	-	-	-	262.4

Deadweight Cattle Trade

QUOTES from the major NI processors this week ranged from 324-326p/kg for in spec U-3 grade steers and heifers with a slight softening of quotes at the lower end of the U-3 range expected for early next week. Quotes for good quality O+3 grade cows ranged from 224-250p/kg this week with the majority of plants quoting from 235-240p/kg.

The plants have reported a tightening in supplies of prime cattle with throughput last week similar to the previous week at 5,094 head. This was a 14 per cent reduction from the corresponding week in 2014 when 5,904 prime cattle were slaughtered in NI plants. Strong supplies of cows continue to come forward for slaughter with 2,024 cows killed in NI plants last week. This takes cow throughput for August 2015 to 7,964 head compared to 6,916 cows killed in August 2014. A further 1,228 cows were exported from NI to ROI for direct slaughter during August 2015, a notable increase from the 375 that were exported during August 2014.

Exports of prime cattle from NI for direct slaughter in GB last week totalled 201 head, the highest weekly export during 2015 to date and is similar to year earlier levels. Meanwhile imports of prime cattle from ROI for direct slaughter in NI last week totalled 470 head taking imports for August 2015 to 1,340 head. This is markedly lower than August 2014 levels when 2,993 prime cattle were imported from ROI for direct slaughter.

The average steer price in NI last week was up half a penny to 322.5p/kg while the R3 steer price was back by a similar margin to 332.1p/kg. The R3 heifer price in NI last week was unchanged from the previous week at 331.6p/kg while the average heifer price was up by 1.5p/kg to 325.5p/kg.

The deadweight cattle trade has steadied in GB with the average steer price last week within half a penny of the previous week at 347p/kg while the R3 steer price increased by 1.4p/kg to 353.3p/kg. The R3 steer price was unchanged in the Midlands and recorded an increase of 1-2p/kg in the other GB regions. The average heifer price in GB last week was back 1.3p/kg to 346.2p/kg while the R3 heifer price was back by 2.1p/kg to 352.2p/kg. The R3 heifer price in Scotland was back by 4.6p/kg to 363.7p/kg last week while R3 heifer prices in the other regions were within a penny of the previous week.

The average cow price in NI last week increased by 4.8p/kg to 217.2p/kg while the O3 cow price remained steady at 237p/kg. This is just above the GB average for O3 cows of 235.3p/kg. The O3 cow price in NI was higher than all the GB regions with the exception of Scotland where the O3 cow price was 245.8p/kg.

An improvement in the value of euro against sterling last week helped increase R3 steer and heifer prices in ROI in sterling terms. The R3 steer price was up the equivalent of 5.6p/kg to 290.7p/kg while the R3 heifer price was up by 5.1p/kg to 297.7p/kg. This has narrowed the differential between ROI and NI to 41.4p/kg for R3 grade steers and 33.9p/kg for R3 grade heifers.

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

W/E 29/08/2015		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	333.2	299.0	366.9	356.1	354.8	356.0	358.8
	R3	332.1	290.7	366.3	350.5	346.5	346.8	353.3
	R4	329.7	290.0	371.2	360.4	347.2	346.6	358.5
	O3	318.5	275.6	350.9	333.3	320.5	322.5	332.5
	AVG	322.5	-	364.5	349.2	335.9	332.7	347.0
Heifers	U3	337.1	307.8	375.2	360.2	356.8	357.5	363.6
	R3	331.6	297.7	363.7	349.4	347.8	344.9	352.2
	R4	329.1	297.3	367.6	352.6	348.9	342.3	354.7
	O3	320.5	285.0	346.3	334.4	315.4	321.4	332.2
	AVG	325.5	-	362.0	347.4	334.9	329.9	346.2
Young Bulls	U3	322.5	295.3	366.2	344.7	350.8	353.6	351.6
	R3	320.1	288.9	360.5	330.1	333.9	338.5	336.3
	O3	300.5	275.5	320.5	290.7	311.7	315.7	304.6
	AVG	308.6	-	349.1	322.0	338.7	332.6	334.0
Prime Cattle Price Reported	3635	-	6302	6107	5493	4108	22010	
Cows	O3	237.0	251.5	245.8	233.2	229.5	228.2	235.3
	O4	244.6	253.3	253.9	235.4	232.9	227.7	238.6
	P2	198.9	216.7	186.7	198.1	180.6	186.0	187.8
	P3	221.2	245.4	203.4	215.2	194.7	202.5	204.7
	AVG	217.2	-	235.6	208.4	188.1	193.6	208.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=73.08p 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 29/08/15	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	198	212	202	160	196	178
Friesians	130	150	139	114	128	123
Heifers	194	207	199	158	192	180
Beef Cows	132	183	143	100	131	116
Dairy Cows	103	118	110	60	98	78
Store Cattle (p/kg)						
Bullocks up to 400kg	228	241	233	160	191	182
Bullocks 400kg - 500kg	214	237	222	160	212	185
Bullocks over 500kg	209	228	215	150	205	180
Heifers up to 450kg	185	198	192	152	178	165
Heifers over 450kg	188	208	198	140	187	163
Dropped Calves (£/head)						
Continental Bulls	285	385	335	185	282	235
Continental Heifers	200	330	265	100	198	150
Friesian Bulls	60	112	85	20	58	40
Holstein Bulls	40	100	70	2	38	20

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 31/08/15	Next Week 07/09/15
Lambs	305>21kg	305>21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 15/08/15	W/E 22/08/15	W/E 29/08/15
NI Lambs L/W	284.5	275.1	270.6
NI Lambs D/W	309.9	307.0	303.6
GB Lambs D/W	341.7	335.3	331.3
ROI D/W	317.1	315.6	321.3

Deadweight Sheep Trade

QUOTES from the major NI plants this week for R3 grade lambs were 305p/kg up to 21kg with similar quotes expected for early next week. Throughput in the NI plants last week totalled 11,633 head, a reduction of 1,540 head from the previous week. Meanwhile exports of sheep to ROI for direct slaughter last week were similar to the previous week at 7,395 head. In the corresponding week in 2014 8,496 sheep were exported from NI to ROI for direct slaughter. The deadweight lamb price in NI last week was 303.6p/kg, down 3.4p/kg from the previous week. Meanwhile in ROI the deadweight lamb price increased by 6.3p/kg to 321.3p/kg last week in response to the strengthening of euro against sterling.

This week's marts

A similar trade to previous weeks was reported across the marts this week. In Massereene on Monday a larger entry of 1,206 lambs sold from 260-296p/kg compared to 964 lambs last week selling from 260-300p/kg. In Saintfield this week 784 lambs sold from 264-300p/kg compared to 702 lambs selling from 260-306p/kg last week. In Ballymena this week a large entry of 1,708 lambs sold from 260-312p/kg (avg 273p/kg) compared to 1,901 lambs last week selling from 250-288p/kg (avg 261p/kg). In Markethill this week an entry of 1,450 lambs sold from 265-299p/kg (avg 280/kg). The trade for cull ewes has remained similar to previous weeks with top reported prices generally ranging from £80-90.

LATEST SHEEP MARTS

From: 28/08/15		Lambs (P/KG LW)			
To: 03/09/15		No	From	To	Avg
Friday	Newtownstewart	500	260	272	-
Saturday	Swatragh	1675	258	334	-
	Omagh	841	277	337	-
Monday	Massereene	1206	260	296	-
Tuesday	Saintfield	784	264	300	-
	Rathfriland	1000	265	323	291
Wednesday	Ballymena	1708	260	312	273
	Enniskillen	744	288	305	-
	Markethill	1450	265	299	280

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