

## PRODUCING WHAT THE MARKET WANTS

THE UK retail and food service market is the biggest and most valuable outlet for the NI beef industry and to service this market it is important that the type of cattle being produced and processed in NI meet current market specifications. Table 1 provides a breakdown of current market specifications for prime cattle from the major processing plants operating in NI.

Two important aspects of current market specifications is the grade achieved by the carcass and the carcass weight at point of slaughter. There is a strong correlation between these two factors with prime cattle that achieve better conformation scores also tending to have higher carcass weights. Figure 1 provides a breakdown of R3 and U3 grade steers killed in NI during the 12 week period ending 07 August 2016 by carcass weight.

R3 grade steers accounted for 22 per cent of the total price reported steer kill in NI during the twelve week period under analysis. As indicated in the chart 66.5 per cent of R3 grade steers killed in NI during this period met the current market specification for carcass weights of 280-380kg. A further 28.2 per cent of R3 steers had carcass weights between 380-420kg with 4.4 per cent of R3 grade steer carcasses having carcass weights in excess of 420kg. The proportion of R3 grade carcasses within each weight

category was very similar to the proportion within each weight category during the corresponding period in 2015.

U3 grade steers accounted for 11 per cent of the total price reported steer kill in NI during the twelve week period under analysis. As outlined in Figure 1 30 per cent of U3 grade steer carcasses had a carcass weight of 280-380kg during the 12 weeks ending 07 August 2016 while a further 48.7 per cent of U3 grade steer carcasses had carcass weights of between 380-420kg. Meanwhile U3 grade steers with carcass weights in excess of 420kg accounted for 21.3 per cent of the U3 steer kill. There has however been a decline in the proportion of U3 grade carcasses over 420kg with 26 per cent of U3 grade carcasses in this category in the corresponding period in 2015.

While it is important that the right type of prime cattle are being produced to meet current specifications it is equally important that the right market signals are given to producers when presenting cattle for slaughter. Producers are encouraged to liaise with the procurement staff of the individual processors before finishing prime cattle to ensure that the cattle they are producing meet current market requirements.

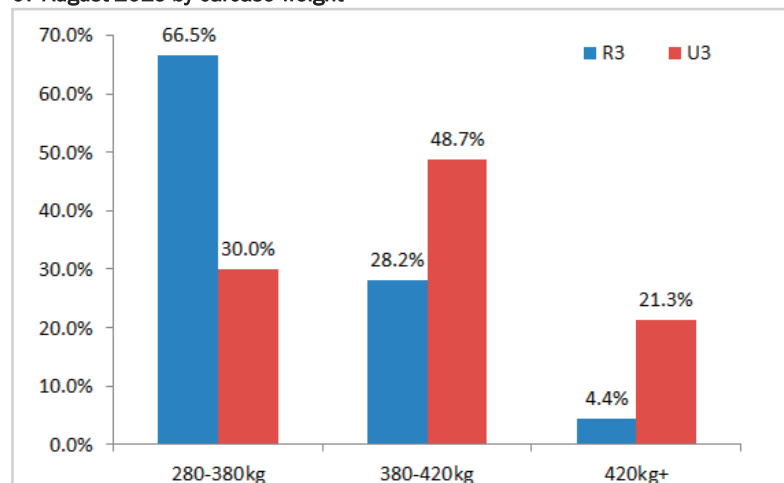
The average price paid for R3 grade steers in the 280-380kg weight range during the 12 weeks ending 07 August

2016 was 326.8p/kg with an average carcass weight of 345.9kg. This puts the value of the carcass at £1,130 with an average age at slaughter of 752 days. Meanwhile R3 grade steers in the 380-420kg weight range were paid an average of 326.5p/kg with an average carcass weight of 395.5kg. This puts the value of the carcass at £1,291 at an average of 798 days of age. This is an increase in the value of the steer carcass by £161 and the animal was slaughtered an average of 46 days older.

The average price paid for R3 grade steers in the 420kg+ category was 316.7p/kg with an average carcass weight of 441.3kg. This puts total carcass value at £1,398 with an average age at slaughter of 821 days. This is £268 higher than the R3 grade steer killed at 280-380kg with the animal spending an additional 69 days on farm.

A similar trend can be observed if we consider the prices paid for U3 grade steer carcasses during the 12 week period ending 07 August 2016. U3 steer carcasses in the 280-380kg weight category were paid an average of 332.4p/kg with an average carcass weight of 357.1kg. This puts the value of the carcass at £1,187 at an average age of slaughter of 693 days. U3 carcasses in the 380-420kg weight range were paid an average of 331.9p/kg at an average carcass weight of 398.2kg. This puts the

Figure 1: R3 and U3 grade steers killed in NI during the 12 week period ending 07 August 2016 by carcass weight



average carcass value at £1,322 at an average age of slaughter of 730 days. This is an increase in value of £135 with the animal spending an additional 37 days on farm.

The average price paid for U3 grade steers in the 420kg+ category was 320.6p/kg with an average carcass weight of 441.3kg. This puts the carcass value at £1,415 at an average age at slaughter of 772 days. This is £228 higher than the value of the in spec carcass but the animal was 79 days older at point of slaughter.

There are a range of factors in operation that play a key role in influencing at what stage prime cattle are slaughtered on an individual farm

including the cost of inputs (feed/fertiliser/stores/carrying cost of cow etc), the type of production system in operation and the genetic potential of the stock on farm. With these factors in mind it is important that producers aim to finish cattle as efficiently as possible and in a way that will provide maximum returns to their individual businesses.

However it is equally important that there are production systems in operation on NI farms that are capable of producing cattle that meet current market specifications and that the correct market signals are provided by the processing sector to encourage the production of animals that meet current market requirements.

## BENEFITS OF FQAS FOR NI SHEEP PRODUCERS

WITH supplies of lambs being presented for slaughter picking up in line with normal seasonal trends and the number of both finished and forward store lambs passing through the marts starting to increase also, processors are keen to source FQAS approved lambs. It is therefore important to consider the advantages of becoming FQAS approved for sheep.

There is currently no additional cost for becoming FQAS approved for sheep if you are already approved for beef with the annual renewal fee for FQAS membership the same whether a producer is approved for 'Beef', 'Sheep' or 'Beef & Sheep'. The annual fee is £66 including VAT. If a FQAS participant is only approved for beef and would like to gain approval for sheep it is a relatively simple process. An inspection can be organised in order to include sheep in the inspection scope or alternatively the surveillance inspection can be brought forward if appropriate to do so.

Sourcing FQAS approved lambs is

important for NI lamb processors as it allows them to service the high value retail and food service markets in the UK. For many of these customers FQ status on lamb is a key requirement of their specification. FQAS provides additional assurances on animal welfare, food safety, traceability and care for the environment, all of which retailers place in high regard.

Achieving FQAS approved status allows sheep producers to keep their options open when marketing lambs. Producers slaughtering lambs in local plants may receive a financial bonus when lambs are FQAS approved at slaughter. In addition producers with FQAS lambs will find it



easier to secure sales than those presenting non-FQAS lambs, avoiding the need to hold finished lambs for longer periods so reducing costs.

Buyers in the local marts are increasingly looking to purchase finished lambs that have FQ status and finishers buying lambs for a short keep will favour lambs with FQAS approved status or a large proportion of the required 60-day residency completed.

A further benefit of FQAS membership is that scheme membership is recognised by the Food Standards Agency (FSA) and DAERA Service Delivery Group as having a lower risk and therefore there is a reduced likelihood of selection for a cross compliance inspection in this area when compared to non-FQAS members.

Should you wish to apply for FQAS, increase your scope to cover sheep, or require any FQAS documentation please call the FQAS Helpline on 028 9263 3024.

## FQAS MART CLINICS SEPTEMBER 2016

LOCATION	DAY	DATE
Omagh	Monday	05/09/2016
Saintfield	Wednesday	07/09/2016
Markethill	Tuesday	13/09/2016
Kilrea	Wednesday	14/09/2016
Enniskillen	Thursday	15/09/2016
Ballymena	Friday	23/09/2016

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to or following an inspection.

Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic. Terry will be available at the livestock marts listed in the table above from 10am to 1.30pm. For further information call (028) 9263 3024.

# WEEKLY BEEF & LAMB MARKETS



## CATTLE TRADE

### NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 22/08/16	Next Week 29/08/16
<b>Prime</b>		
U-3	330 - 336p	330 - 336p
R-3	324 - 330p	324 - 330p
O+3	318 - 324p	318 - 324p
P+3	264 - 280p	264 - 280p
	Including bonus where applicable	
<b>Cows</b>		
O+3 & better	240 - 250p	240 - 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 COW PRICES NI - P/KG

w/e 20/08/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	150.1	161.5	169.8	179.5
P2	161.7	188.3	206.7	222.2
P3	182.8	209.8	227.4	233.1
O3	170.5	244.5	246.2	250.6
O4	-	227.1	241.7	253.4
R3	-	-	-	268.5

## SHEEP TRADE

### SHEEP QUOTES

(P/Kg DW)	This Week 22/08/16	Next Week 29/08/16
Lambs	385-390 > 21kg	385-390 > 21kg

### REPORTED SHEEP PRICES

(P/KG)	W/E 06/08/16	W/E 13/08/16	W/E 20/08/16
NI Lambs L/W	343.6	353.3	342.1
NI Lambs D/W	376.3	390.8	387.0
GB Lambs D/W	406.5	417.4	426.4
ROI D/W	377.2	395.5	395.6

### Deadweight Cattle Trade

QUOTES from the major NI processing plants for prime cattle continued to strengthen this week with 330-336p/kg available for in spec U-3 grade prime cattle. Quotes for good quality O+3 grade cows this week have remained steady ranging from 240-250p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

A total of 5,457 prime cattle were slaughtered in NI plants last week, a slight increase from the 5,368 head killed the previous week. This is nine per cent higher than the 5,009 prime cattle slaughtered in the corresponding week in 2015. Cow throughput in NI has remained steady with 1,714 cows killed in NI last week, a decrease from the 1,814 head killed the previous week and five per cent lower than the 1,804 cows killed in NI plants in the same week last year.

Prime cattle imports from ROI for direct slaughter in NI plants last week totalled 114 head, accounting for two per cent of the total NI prime cattle kill. In the corresponding week in 2015 a total of 323 prime cattle were imported from ROI for direct slaughter in NI plants which accounted for six per cent of the total NI prime cattle kill. The number of cows imported from ROI for direct slaughter in NI plants last week totalled 48 head compared to 100 head in the same week in 2015. Meanwhile 170 cows were exported from NI for direct slaughter in ROI plants last week, a decrease from 339 cows in the corresponding week in 2015. A further 63 prime cattle and 13 cows were exported from NI to GB for direct slaughter last week compared to 138 prime cattle and 17 cows during the same week last year.

The average steer price in NI last week was up by 0.7p/kg to 327.7p/kg while the R3 steer price increased by almost a penny to 338.2p/kg. The average heifer price in NI last week was up by 1.2p/kg to 331.1p/kg while the R3 heifer price increased by 2.5p/kg to 338.3p/kg. The average cow price in NI recorded a decrease of 3p/kg to 226.1p/kg while the O3 cow price was up marginally to 249.8p/kg.

The average steer price in GB last week increased by 2.9p/kg to 346.3p/kg while the R3 steer price was up by 2.6p/kg to 356.7p/kg. This puts the differential in R3 steer prices last week between NI and the GB average at 18.5p/kg which is the equivalent of £65 on a 350kg carcass. The average heifer price in GB last week increased by 3.5p/kg to 349.5p/kg while the R3 heifer price was up by 3.1p/kg to 357.7p/kg. The differential in R3 heifer prices last week between NI and the GB average was at 19.4p/kg which is the equivalent of £68 on a 350kg carcass.

The deadweight cattle trade in ROI last week increased in euro terms and a strengthening in euro against sterling has increased deadweight prices in ROI in sterling terms. The R3 steer price in ROI last week was the equivalent of 328.4p/kg, up by 5.2p/kg from the previous week while the R3 heifer price was up by 4.9p/kg to 338p/kg. The O3 cow price in ROI last week recorded an increase of 4.3p/kg to 254.8p/kg which is 5p/kg more than the equivalent price in NI.

### Deadweight Sheep Trade

QUOTES for R3 grade lambs this week ranged from 385-390p/kg with plants paying up to 21kg. The processors have reported a strong increase in the number of lambs coming forward for slaughter with throughput last week totalling 13,503 head, an increase of 2,760 head from the previous week and the highest weekly throughput for the year to date. Exports of sheep to ROI for direct slaughter last week totalled 6,911 head compared to 6,715 head the previous week. The average deadweight lamb price in NI last week decreased by 3.8p/kg to 387p/kg while the deadweight lamb price in ROI was almost unchanged at the equivalent of 395.6p/kg.

### This week's marts

A good trade was reported across the marts this week with larger numbers of lambs passing through many of the sale rings when compared to the previous week. In Kilrea this week 700 lambs sold from 346-359p/kg compared to 550 lambs the previous week selling from 350-360p/kg. In Rathfriland this week 1,150 lambs sold from 334-408p/kg to an average of 350p/kg compared to 672 lambs the previous week selling from 333-365p/kg to an average of 344p/kg. In Ballymena this week 1,799 lambs sold from 320-409p/kg to an average of 347p/kg compared to 1,688 lambs the previous week selling from 300-353p/kg to an average of 328p/kg. The ewe trade remained steady with top reported prices for cull ewes this week ranging from £73.50-115.

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

W/E 20/08/2016	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	340.1	338.3	369.4	355.2	356.2	360.6
	R3	338.2	328.4	369.2	351.0	348.8	356.7
	R4	337.1	329.4	371.7	359.5	347.8	359.6
	O3	326.3	313.8	343.9	326.9	318.2	329.7
AVG	327.7	-	363.9	346.2	331.7	340.8	346.3
Heifers	U3	341.5	349.4	380.4	361.8	366.4	369.5
	R3	338.3	338.0	373.2	349.9	349.8	357.7
	R4	333.8	337.5	371.7	352.7	349.0	356.5
	O3	331.6	322.8	348.2	327.2	323.0	333.3
AVG	331.1	-	368.7	345.8	338.2	342.0	349.5
Young Bulls	U3	335.1	332.7	364.1	340.5	348.2	350.1
	R3	329.3	325.7	355.7	329.7	341.2	342.9
	O3	314.3	307.7	314.4	290.5	309.9	306.8
	AVG	318.5	-	344.0	321.0	325.4	330.3
Prime Cattle Price Reported	4856	-	5918	6640	6110	4068	22736
Cows	O3	249.8	254.8	256.8	242.5	250.1	248.9
	O4	252.5	257.0	259.4	243.9	245.6	246.6
	P2	209.9	234.7	211.0	205.0	197.6	202.8
	P3	229.8	249.9	223.5	210.1	208.3	213.0
	AVG	226.1	-	242.3	217.0	202.9	212.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.60p 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

### LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 20/08/16	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
<b>Finished Cattle (p/kg)</b>						
Steers	190	211	197	170	189	180
Friesians	140	150	144	120	139	131
Heifers	190	207	195	160	189	175
Beef Cows	139	203	160	110	138	125
Dairy Cows	100	120	107	65	99	82
<b>Store Cattle (p/kg)</b>						
Bullocks up to 400kg	-	-	-	-	-	-
Bullocks 400kg - 500kg	-	-	-	-	-	-
Bullocks over 500kg	-	-	-	-	-	-
Heifers up to 450kg	-	-	-	-	-	-
Heifers over 450kg	-	-	-	-	-	-
<b>Dropped Calves (£/head)</b>						
Continental Bulls	280	430	320	140	278	200
Continental Heifers	225	335	275	100	222	160
Friesian Bulls	100	185	125	40	98	70
Holstein Bulls	80	128	100	10	78	40

### LATEST SHEEP MARTS

From: 19/08/16		Lambs (P/KG LW)			
To: 25/08/16		No	From	To	Avg
Friday	Newtownstewart	302	330	345	-
Saturday	Swatragh	1195	346	400	365
	Omagh	978	346	392	-
Monday	Massereene	946	345	377	-
	Kilrea	700	346	359	-
Tuesday	Saintfield	712	330	375	-
	Rathfriland	1150	334	408	350
Wednesday	Ballymena	1799	320	409	347
	Enniskillen	724	340	372	-
	Markethill	1200	330	373	350
	Armoy	442	320	372	348

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