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STORE CATTLE TRADE IN NI BEHIND 2021 LEVELS WHILE PRODUCTION COSTS HAVE INCREASED

2022 has been a year of record prices for the NI beef industry, with deadweight prices for all types of cattle remaining ahead of previous years throughout the year to date. The R3 steer price in NI reached 447.5p/kg during the week ending 18 June 2022 and it is these attractive deadweight prices which encouraged the record throughput levels of cattle in local plants during this period. The high prices paid have not been reflected in the prices of store cattle during 2022 however, with prices remaining behind previous years.

Figure 1 displays the average price paid for 300-400kg store steers in NI during 2022 compared to last year. The graph shows the average price of a 300-400kg store steer in NI gradually increased from January to April. During April 2021 the average price of a forward store steer in NI was £888.46 according to DAERA's Agricultural Market Survey. Comparatively during April 2022 the average price of a similar animal was £904.58. From this point the average price of a 300-400kg store steer has remained below 2021 levels with recovery seen in recent weeks. The largest monthly difference year on year in the price of a 300-400kg steer was recorded during August when the price was £825.91. This was £65.68 behind the £891.59 paid during August 2021.

The average price of 300-400kg store heifers in NI during 2022 has remained behind 2021 levels throughout the year to date. During February 2022 the average price of a forward store heifer was £838.01 which was just £13.64 behind the same price during February 2021. As the year has progressed the price difference of forward store heifers in NI has increased compared to 2021 as shown in **Figure 2.** As with steers, during 2022 to date, the month of August saw the largest difference in the average price of 300-400kg store heifers in comparison to last year, when the difference was £63.63 behind the same period of 2021. However, some recovery in forward store heifer prices was seen with the year on year difference narrowing to £27.04 during September according to the most recent data available from DAERA.

While the monthly variation in store cattle prices year on year appears significant, the average price of 300-400kg store steers during January to the close of September 2022 was behind 2021 prices by £2.90 on average. Meanwhile the average price of 300-400kg store heifers during January to September 2022 was £30.37 on average behind 2021 levels.

While the average price paid for finished cattle has increased this year, the costs of production on NI farms have increased correspondingly. The latest available data on barley prices providing a comparison of 2021 and 2022 in the Agricultural Market Report published by DAERA was for the week ending 20 August 2022 during which the reported price per tonne of feed barley delivered in NI was £280.50. This was up by £75 per tonne or 36 per cent, compared to the corresponding period of 2021 when the average delivered price per tonne of barley was £205.50. **Figure 3** shows the average price of barley in NI in relation to the price paid for R3 grade steers from January to September during the two year period. The graph shows, the deadweight steer price increased significantly during 2022 and while the margin may have been depressed in the early part of the year if concentrates were fed, the deadweight R3 steer price during August was ahead of the cereal price according to DAERA which will benefit NI producers.

Regarding forage supplies, the spring of 2022 was a good grass growing period, which saw bumper silage crops recorded at first cut. However, grass growth slowed and second and third cut silage crops were lighter than anticipated. In addition to weather conditions, this was influenced by the cost of nitrogen fertiliser and fuel, with the cost of fertiliser likely to have had an indirect impact on the value of store cattle in NI during 2022. Producers will have been trying to reduce costs on farm and budget across their businesses, resulting in reduced fertiliser applications. This has consequently seen forage yields reduce and the cost of silage increase significantly year on year as shown in **Table 1.** During the first eight months of 2022 the cost of a bale of silage in NI was up by £8 on average compared to 2021. The price of a large round bale of straw has also increased by £2 on average year on year during January to August 2022 according to DAERA's Agricultural Market Report.

The increases in the production costs outlined above can be taken as representative of a general increase in the input costs of beef production. However as mentioned over the same period deadweight beef prices have also increased with average steer and heifer prices of 427p/kg and 429.2p/kg respectively in NI last week. In the same week last year the NI average steer and heifer price reported was 392.2p/kg and 395.1p/kg, an increase of 8.9 and 8.6 per cent respectively. These increases in deadweight prices have improved returns to the farm gate and helped to absorb some of the increasing production costs. However, while forage yields were high in the earlier part of this year the quality is of concern, and it is expected beef producers will be reliant on concentrates to achieve target daily liveweight gains.

Figure 1: The monthly average price of 300-400kg store steers in NI during January to September 2021 - 2022. Source: DAERA.

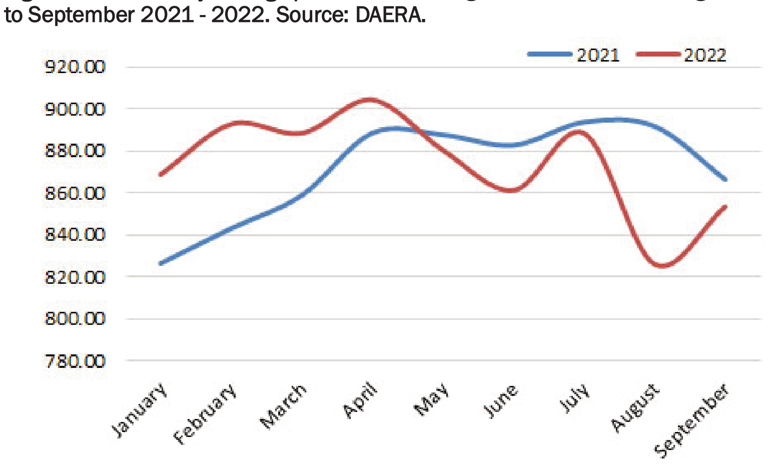

Figure 2: The monthly average price of 300-400kg store heifers in NI during January to September 2021 - 2022. Source: DAERA.

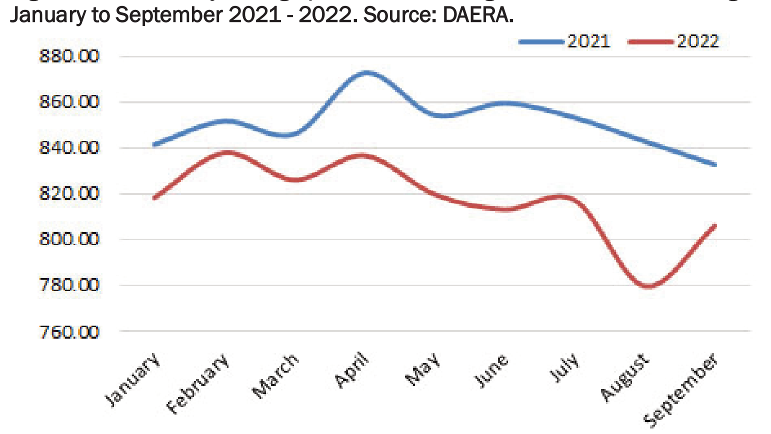

Figure 3: The monthly average price of barley in NI in relation to the monthly average deadweight price for R3 grade steers from January to September 2021 - 2022. Source: LMC deadweight price reporting & DAERA.

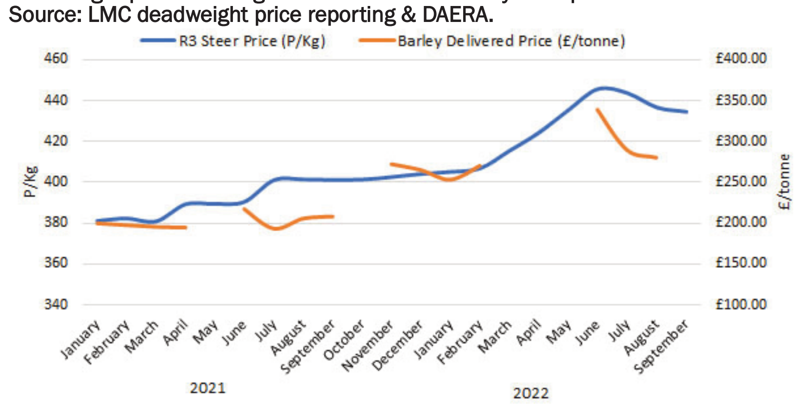

Table 1: The monthly average price of a bale of silage in NI from January to August 2022, 2021 and the year on year change. Source: DAERA.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2022	£21.90	£22.88	£24.75	£26.13	£25.13	£24.63	£25.38	£25.88
2021	£17.60	£18.00	£15.20	£15.40	£15.40	£16.40	£18.10	£17.13
Change	+£4.30	+£4.88	+£9.55	+£10.73	+£9.73	+£8.23	+£7.28	+£8.76

Forage shortages and further increases to concentrate costs have the ability to put severe pressure on margins from beef systems this winter. It is important that producers keep an eye on the costs of their production systems to ensure margins are maintained.

When sourcing cattle whether for breeding or finishing NI producers are urged to select animals using Estimated Breeding Values, allowing them to source cattle which have high daily liveweight gains, feed conversion efficiency and reduced days to slaughter. These traits should enable producers to finish animals at younger ages with lower inputs and subsequently costs of production.

Considering the trend seen in prices of store cattle during the year to date, it is uncertain whether a tightening in the availability of cattle on NI farms will see finishers having to pay more for forward stores to secure cattle supplies as they attempt to maintain their profit margins.

LMC has received a number of calls recently from beef and lamb producers alike, seeking advice on the best time to sell their stock to avail of high market prices. Considering the higher production costs on beef and lamb farms this year, producers are encouraged to seek a market outlet for their stock when they are ready for slaughter, rather than retaining stock which reduces the margin available by increasing costs of production.

REGIONAL VARIATIONS IN REPORTED DEADWEIGHT LAMB PRICES

The regional average deadweight sheep prices reported on a weekly basis in the bulletin publication are provided by the regulatory bodies of those regions. These bodies are specifically DAERA in NI, DAFM in ROI and AHDB in GB. It should be noted both the method of grading and weight ranges of lambs reported varies between regions and therefore this price should be used only as a guide.

Different regions report different weight ranges, so that lighter or extremely heavy lambs do not skew the data. In addition, processors in each region also use different carcase dressing specifications and make seasonal changes to maximum paid weight.

Northern Ireland the weight range is 16.0 - 23.5kg
Ireland the weight range is 13.0 - 21.5kg
Great Britain the weight range is 12.0 - 21.5kg

These average prices reported in the LMC weekly bulletin provide an overview of the direction of the trade in each region and provide some indication of the differentials between regions however they are not directly comparable.

WEEKLY BEEF & LAMB MARKETS

Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 24/10/22	Next Week 31/10/22
Prime		
U-3	414 - 428p	414 - 428p
R-3	408 - 422p	408 - 422p
O+3	402 - 416p	402 - 416p
P+3	346 - 360p	346 - 360p
	Including bonus where applicable	
Cows		
O+3	314 - 340p	304 - 340p

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 22/10/22	Steers	Heifers	Young Bulls
U3	438.6	441.3	427.5
R3	434.5	436.1	426.5
O+3	427.5	427.6	416.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 22/10/22	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	250.0	265.1	279.7	287.5
P2	273.7	294.5	317.2	330.0
P3	295.3	309.0	332.9	341.7
O3	262.8	322.0	344.2	358.7
O4	-	350.0	352.1	360.0
R3	-	-	368.0	375.0

Deadweight Cattle Trade

Base quotes from the major beef processing plants in NI for in spec U-3 grading cattle have edged up slightly this week to 414-428p/kg with the majority of plants quoting in the region of 420-428p/kg. Quotes for O+3 grading cows came back this week to range from 314-340p/kg with quotes of 304-340p/kg expected early next week.

Prime cattle throughput last week totalled 8,404 head, up 298 head from the previous week when 8,106 prime cattle were killed locally. Cow throughput in NI last week totalled 2,790 head, similar levels to the previous week, and an increase of 468 cows compared to the 2,322 cows killed locally during the same week in 2021. This brings the total cow throughput in NI during the last six week period to 15,296 which is up 1,723 head compared to the corresponding period last year.

Imports of cattle from ROI for direct slaughter last week consisted of 496 prime cattle and 126 cows while no cattle were imported for direct slaughter from GB. This brings the total number of prime cattle imported for direct slaughter in NI to 2,481 head during the last six week period. Exports of cattle out of NI for direct slaughter to ROI last week consisted of 13 cows with no cattle exported to GB.

The deadweight prime cattle trade in NI reported improvements last week with the average steer price up 1.6p/kg, to 427p/kg from the previous week. The R3 steer price in NI last week was up by a penny to 436.6p/kg. The average heifer price in NI last week was up 1.5p/kg to 429.2p/kg while the R3 heifer price recorded a marginal 0.1p/kg decrease bringing it to 437.9p/kg. The average young bull price in NI last week was back 2.1p/kg to 412.9p/kg with the R3 young bull price up by 2.3p/kg to 427.6p/kg. The average cow price in NI last week increased by 0.8p/kg to 326.9p/kg, while the O3 cow price decreased by a penny to 356.6p/kg.

In GB last week the average steer price was up 2.8p/kg to 443.7p/kg while the R3 steer price increased by 2.5p/kg to 450.2p/kg. The differential in R3 steer prices between NI and GB last week widened to 13.6p/kg. The average heifer price in GB last week was 440.1p/kg, up by a marginal 0.1p/kg from the previous week, with the R3 heifer price increasing 2.3p/kg to 448.6p/kg. The differential in R3 heifer prices between NI and GB last week increased to 10.7p/kg. The average young bull price in GB last week was back by 1.8p/kg to 426.4p/kg while the R3 young bull price was up by 4.1p/kg to 441.3p/kg.

The deadweight prices for the majority of prime cattle grades came under pressure in ROI last week from the previous week. The R3 steer price decreased by 4.1p/kg to 399.2p/kg, while the R3 heifer price was back by 4.4p/kg to 403.6p/kg. This puts the differential between ROI and NI at 37.4p/kg for R3 steers and 34.3p/kg for R3 heifers. The O3 cow price in ROI last week was 352.2p/kg, bringing the differential to 4.4p/kg behind the same price in NI.

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

W/E 22/10/22		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	438.8	408.3	461.4	451.4	454.9	452.6	455.8
	R3	436.6	399.2	458.5	452.4	446.6	445.3	450.2
	R4	433.1	398.6	460.2	454.2	446.5	444.0	454.8
	O3	425.4	383.9	445.6	439.7	432.4	425.1	433.9
	AVG	427.0	-	455.9	446.3	439.2	431.9	443.7
Heifers	U3	442.4	413.6	461.3	454.4	458.4	455.9	457.7
	R3	437.9	403.6	454.1	449.6	447.2	445.7	448.6
	R4	434.6	403.1	457.6	450.6	446.4	445.4	452.0
	O3	426.4	393.2	434.8	435.1	421.9	415.7	425.1
	AVG	429.2	-	455.0	444.1	434.7	425.9	440.1
Young Bulls	U3	427.6	397.9	453.0	450.7	447.3	450.0	449.9
	R3	427.6	390.2	442.9	444.4	438.8	430.8	441.3
	O3	407.9	372.0	419.8	405.1	406.3	419.7	412.3
	AVG	412.9	-	437.3	428.9	421.8	408.2	426.4
Prime Cattle Price Reported		6,683	-	6,090	6,450	7,676	4,856	25,072
Cows	O3	356.6	352.2	374.2	365.4	372.2	363.3	369.2
	O4	359.4	351.9	377.3	368.0	374.6	363.9	371.5
	P2	318.9	309.7	332.1	320.0	334.7	329.7	330.9
	P3	337.9	337.5	345.7	341.0	354.0	340.3	346.9
	AVG	326.9	-	369.1	340.8	338.7	326.8	341.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.03p 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 22/10/22	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	255	281	264	200	254	225
Friesians	230	267	240	200	228	214
Heifers	202	218	206	123	192	172
Beef Cows	215	282	237	180	213	190
Dairy Cows	142	168	153	90	139	115
Store Cattle (p/kg)						
Bullocks up to 400kg	260	318	275	205	259	230
Bullocks 400kg - 500kg	240	287	258	190	239	210
Bullocks over 500kg	230	271	243	175	229	205
Heifers up to 450kg	250	319	270	210	249	225
Heifers over 450kg	225	261	245	170	224	200
Dropped Calves (£/head)						
Continental Bulls	375	500	428	280	370	325
Continental Heifers	325	520	365	220	320	270
Friesian Bulls	100	155	125	40	95	75
Holstein Bulls	60	120	90	1	55	35

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 24/10/22	Next Week 31/10/22
R3 Lambs	510 - 515p	495 - 520p

REPORTED SHEEP PRICES

(P/KG)	W/E 08/10/22	W/E 15/10/22	W/E 22/10/22
NI L/W Lambs	454.3	461.8	460.5
NI D/W Lambs	496.6	497.5	499.0
GB D/W Lambs	519.9	524.1	523.3
ROI D/W	531.4	533.5	533.8

Deadweight Sheep Trade

Base quotes for R3 grade lambs improved this week to range from 510-520p/kg with plants paying up to 21kg. Next week base quotes are expected to range from 495-520p/kg with the plant quoting 495p/kg paying up to 22kg. There were 10,889 lambs processed in local plants last week. This was an increase of 2,350 lambs compared to the same week last year when 8,539 lambs were processed in local plants. Lamb exports to ROI last week for direct slaughter totalled 7,125 head. The deadweight lamb price in NI last week increased by 1.5p/kg to 499p/kg. In the corresponding week last year the average deadweight lamb price in NI was 487.7p/kg. Meanwhile the ROI lamb price last week was 533.8p/kg

Liveweight Sheep Trade

The number of lambs passing through local sale rings increased this week with prices similar to last week. In Omagh last Saturday 1,243 lambs sold from 466-506p/kg compared to 1,230 lambs the previous week selling from 471-511p/kg. In Massereene on Monday 630 lambs sold from 450-486p/kg compared to 787 lambs selling from 460-488p/kg last week. In Rathfriland this week 866 lambs sold from 445-532p/kg (avg 465p/kg) compared to an entry of 754 lambs last week selling from 460-535p/kg (avg 476p/kg). On Wednesday in Enniskillen 1,080 lambs sold from 430-482p/kg compared to last week when 1,202 lambs sold from 421-490p/kg. The trade for cull ewes continues to remain strong with top reported prices for well fleshed ewes ranging from £110-240 across the marts last week.

LATEST SHEEP MARTS (P/KG LW)

From: 22/10/22		Lambs			
To: 27/10/22		No	From	To	Avg
Saturday	Omagh	1243	466	506	-
	Swatragh	1220	450	505	-
Monday	Kilrea	1080	452	478	-
	Massereene	630	450	486	-
Tuesday	Saintfield	735	445	525	-
	Rathfriland	866	445	532	465
Wednesday	Ballymena	2167	445	532	465
	Enniskillen	1080	430	482	-
	Armoy	394	440	525	-
	Markethill	1530	440	495	-

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