

STRONGER PRICES AND HIGHER CATTLE THROUGHPUT IN JUNE 2020

Table 1 provides an overview of the key performance statistics for the Northern Ireland beef industry during June 2020 and provides a comparison with June 2019.

Deadweight prices

There was a strong increase in the deadweight trade for all types of cattle in Northern Ireland during June 2020. The average prime cattle price in the region was 350p/kg, up 20.7p/kg or 6.3 per cent from June 2019 levels. The R3 steer price recorded similar increases. This improvement in the deadweight trade during June 2020 occurred after a prolonged period of depressed returns for beef producers.

There has also been an improvement in the deadweight cattle trade in Great Britain with the R3 steer price increasing by 20.4p/kg to 365p/kg during June 2020. However the deadweight trade for prime cattle in the Republic of Ireland was back from year earlier levels with the an average R3 steer price of 326.2p/kg, 12.6p/kg behind June 2019 levels.

There was also a notable firming of the deadweight cow trade in Northern Ireland during June 2020 with average prices up 27.4p/kg or 11.4 per cent from June 2019 levels.

Cattle throughput

During June 2020 there were 26,302 prime cattle processed in Northern Ireland plants, up 960 head or 3.8 per cent from year earlier levels. This increase in throughput has been driven by an increase in prime cattle imports for direct slaughter.

During June 2020 there were 2,328 prime cattle imported for direct slaughter from the Republic of Ireland with a further 10 prime animals imported from Great Britain. These imported cattle accounted for almost nine per cent of the total local kill during June 2020. In the same period last year 322 prime cattle were imported from the Republic and a further 36 head from Great Britain. These accounted for 1.4 per cent of the local prime kill during June 2019.

Cow throughput in Northern Ireland totalled 8,548 head during June 2020, an increase of 1,460 head or 20.6 per cent from June 2019 levels. There was also an increase in the level of cow imports for direct slaughter during June 2020, primarily due to a significant widening in the price differential between Northern Ireland and the Republic. This is outlined in more detail in the article below.

Carcase weights

The average carcase weight of prime cattle processed in local plants during June 2020 was 343.6kg. This was back 2kg from June 2019 levels. Meanwhile the average cow carcase weight increased by almost 10kg or three per cent during June 2020 when compared to June 2019.

Cattle availability

Local cattle supplies for slaughter have been very tight although some reports have indicated some improvement in the last few weeks. At the end of June 2020 there were 461,906 beef sired cattle aged between 12-30 months on Northern Ireland farms. This was back 6,303 head or 1.3 per cent from June 2019 levels. Much of this decline however has been in cattle in the 18-30 month age bracket with an increase in younger cattle included in this range due to some recovery in calf registrations during 2019/20.

Calf birth registrations

There were 42,923 beef sired calves registered in Northern Ireland during June 2020, a notable 16.3 per cent increase from June 2019 figures. Beef calf registrations to both suckler cows and dairy cows increased during June 2020 when compared to June 2019 levels.

Table 1: NI Beef Industry Key Performance Indicators June 2020 (week 10-13)	June 2019	June 2020	% Change
Finished Cattle Prices (p/kg)			
Average Prime Cattle Price	329.3	350.0	+6.3%
Average Cow Price	239.8	267.2	+11.4%
Average R3 Steer Price (NI)	339.7	360.0	+6.0%
Average R3 Steer Price (ROI)	338.8	326.2	-3.7%
Average R3 Steer Price (GB)	344.6	365.0	+5.9%
NI Throughput			
Total Clean Processed (head)	25,342	26,302	+3.8%
Total Cow Processed (head)	7,088	8,548	+20.6%
Average Clean Carcase Weight (kg)	345.6	343.6	-0.6%
Average Cow Carcase Weight (kg)	310.8	320.3	+3.0%
Trade (Head)			
Live Imports for Direct Slaughter	681	3,570	+424.2%
Live Exports for Direct Slaughter	445	97	-78.2%
Availability (Head)			
No. Cattle on the Ground*	468,209	461,906	-1.3%
Beef Sired	438,179	430,160	-1.8%
Dairy Sired (Male Only)	30,030	31,746	+5.7%
Calf Births Registrations (Head)			
Calf Births	40,788	46,958	+15.1%
Beef Sired	36,912	42,923	+16.3%
Dairy Sired (Male Only)	3,876	4,035	+4.1%
Euro / Stg Exchange Rate (€ / £)	89.1	89.8	+0.7%

* Aged between 12-30 mths (Beef + Dairy Male Only)

All NI Figures Unless Otherwise Stated

STRONG LOCAL COW TRADE ATTRACTING IMPORTS

The O3 cow price in Northern Ireland last week increased by 1.4p/kg to 286.3p/kg which takes it to the strongest recorded levels since July 2018.

As outlined in Figure 1 below this puts the value of a 300kg O3 grading cow at £859, significantly ahead of the same week last year when the same cow was worth £754 at point of slaughter. While prices have increased strongly in recent weeks the trade remains just behind June 2018 levels.

While deadweight cow prices in

Northern Ireland and Great Britain have recovered in recent weeks the trade in the Republic of Ireland has remained subdued as outlined in Figure 2.

At the start of 2020 O3 cow prices in Southern Ireland were 20.8p/kg behind the equivalent price in Northern Ireland however this differential has almost doubled to 38.5p/kg last week. In monetary terms the differential has widened from £62 on a 300kg O3 grading carcase to £116 during 2020 to date.

This widening differential in deadweight prices has made cows originating in the Republic very attractive to some local processors who have reported a strong demand for cow beef.

During June 2020 there were 1,137 cows imported from the Republic for direct slaughter in local plants with a further 92 cows imported from GB. These imported cows accounted for 14 per cent of total cow throughput in the region.

The import levels for direct slaughter

recorded during June 2020 were significantly higher than June 2019 levels when just 52 cows were imported from the Republic and 269 cows from Great Britain.

During June 2019 the cow trade was stronger in the Republic than it was in Northern Ireland and this contributed

to the low level of imports for direct slaughter in local plants at that time.

The more favourable cow prices in Northern Ireland this year have also meant the number of cows being exported for direct slaughter has declined, back from 327 head in June 2019 to just 87 in June 2020.

Figure 2: O3 cow prices in Northern Ireland, Great Britain and the Republic of Ireland during 2020 to date (p/kg) Source: LMC/AHDB/DAFM

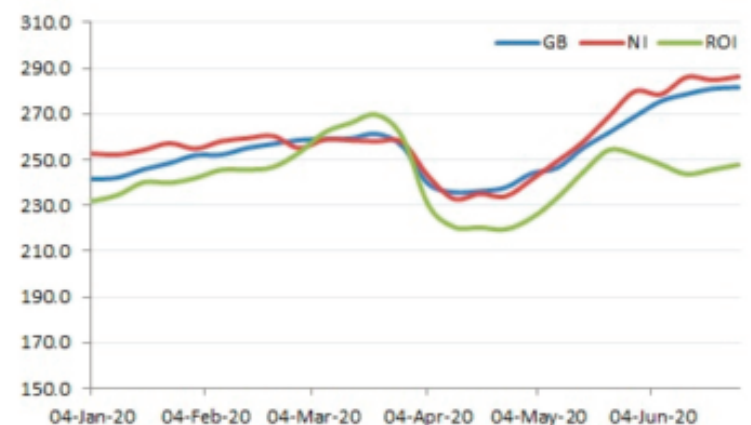
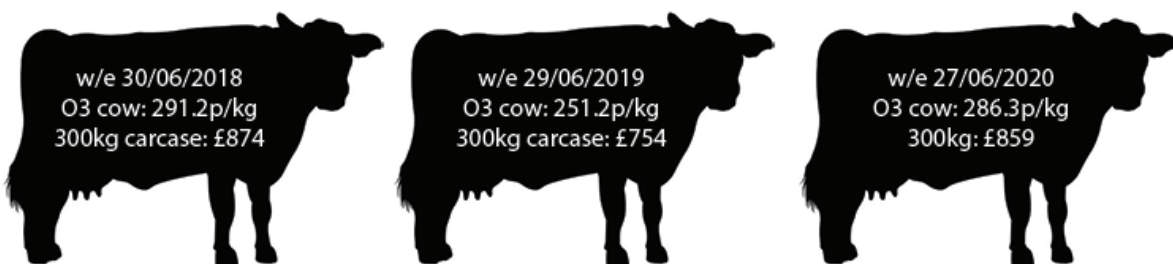


Figure 1: O3 cow prices in Northern Ireland during the w/e 27/06/2020 and the corresponding week in 2017 and 2018



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WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 29/06/20	Next Week 06/07/20
Prime		
U-3	354 - 360p	354 - 362p
R-3	348 - 354p	348 - 356p
O+3	342 - 348p	342 - 350p
P+3	292 - 302p	292 - 304p
Including bonus where applicable		
Cows		
O+3 & better	260 - 280p	260 - 280p
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 NI plants this week for in spec U-3 grade prime cattle remained steady at 354-360p/kg with quotes for early next week expected to range from 354-362p/kg. The cow trade also remained steady across the plants this week at 260-280p/kg for good quality O+3 grade cows with similar quotes expected for early next week.

Prime cattle throughput in local plants last week totalled 6,727 head, an increase of 633 head on the 6,094 prime cattle processed the previous week. Throughput of prime cattle for June totalled 26,302 head, a four per cent increase on the corresponding period in 2019 when 25,342 prime cattle were processed. In NI last week the number of cows processed totalled 2,208 head. Cow throughput in June totalled 8,548 a 21 per cent increase on the 7,088 cows processed in June 2019.

Imports for direct slaughter from ROI last week consisted of 554 prime cattle and 265 cows. This brings the total imports to date from ROI to 8,675 head, an increase of 3,308 head when compared to the same period in 2019. Exports from NI for direct slaughter in ROI plants last week consisted of five prime cattle and 42 cows. This brings the total exports to date from NI to 1,369 head, a decrease of 1,406 head when compared to the same period in 2019.

Tight prime cattle supplies continue to influence the NI deadweight trade with increases reported across the majority of grades last week. The average steer price in NI last week was 355.3p/kg, up 1.2p/kg from the previous week while the average NI heifer price increased by 3.6p/kg to 356.2p/kg. The NI R3 steer and heifer price last week both reported a price of 364.4p/kg, up by 2.3p/kg and 2.8p/kg respectively from the previous week. These NI R3 steer and heifer prices were last reported in late June/early July 2018. Meanwhile last week the average NI cow price came back by 1.5p/kg to 267.1p/kg while the O3 cow price was up by 1.4p/kg to 286.3p/kg.

There has been a mixed deadweight prime cattle trade across the GB regions last week from the previous week. The average steer price was back by half a penny to 359.9p/kg while the R3 steer price was back just over a penny to 367p/kg. The R3 steer price declined in Northern England (-4.3p/kg) and Southern England (-1p/kg) with increases reported in Scotland (+2.2p/kg) and the Midlands (+0.6p/kg). The average heifer price in GB last week increased by 1.2p/kg to 362.3p/kg with the R3 heifer price up by 1.8p/kg to 369.3p/kg from the previous week. The R3 heifer price increased in Scotland (+5.8p/kg), Northern England (+0.7p/kg) and the Midlands (+1.9p/kg) while a decline was reported in Southern England (-1.8p/kg).

In ROI last week the deadweight trade cattle increased for the majority of grades, primarily due to a weakening in sterling against the euro. The R3 steer price in ROI last week was up by the equivalent of 1.8p/kg to 328.3p/kg, 36.1p/kg below the R3 steer price in NI. Meanwhile the R3 heifer price in ROI was up by 2.4p/kg to 332p/kg last week, 32.4p/kg lower than the equivalent NI R3 heifer price.

Deadweight Sheep Trade

Quotes from the major processors for R3 grade lambs improved by 15-25p/kg as the week progressed and ended this week ranging from 450-460p/kg up to 21kg. Quotes for early next week are expected to range from 460-470p/kg up to 21kg. Throughput in local plants has continued to increase with 11,059 lambs processed last week. Throughput of lambs/hoggets for the first six months of 2020 totalled 174,330 head, a 14 per cent increase on the same period in 2019 when 152,859 lambs/hoggets were processed. Lamb exports to ROI last week for direct slaughter totalled 5,232 head, back 176 head from the previous week. The average deadweight lamb price in NI last week declined by 6.5p/kg from the previous week to 443.2p/kg. Meanwhile in ROI the deadweight trade for lambs decreased by the equivalent of 4.4p/kg to 460.8p/kg.

Liveweight Sheep Trade

Many of the marts reported good numbers of lambs passing through the sale rings this week with a strengthening in the trade reported from last week. In Massereene this week 753 lambs sold from 435-467p/kg compared to 758 lambs last week selling from 415-443p/kg. In Rathfriland this week 750 lambs sold from 450-483p/kg (avg 460p/kg) compared to 600 lambs last week selling from 400-442p/kg (avg 428p/kg). In Enniskillen on Wednesday 387 lambs sold from 410-452p/kg compared to 325 lambs last week selling from 410-434p/kg. In Armoy this week 712 lambs sold from 435-480p/kg compared to 412 lambs last week selling from 420-468p/kg. Top reported prices for good quality ewes generally ranged from £93-137 across the marts this week.

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

	W/E 27/06/20	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	366.0	338.8	382.5	366.6	370.5	369.5	373.1
	R3	364.4	328.3	383.1	362.9	363.6	363.8	367.0
	R4	364.0	327.7	386.0	367.4	362.2	363.5	373.1
	O3	353.5	313.2	363.6	347.3	340.6	342.3	344.7
	AVG	355.3	-	380.5	357.6	352.5	351.3	359.9
Heifers	U3	368.3	344.5	391.8	372.2	374.9	373.7	378.2
	R3	364.4	332.0	385.8	369.2	366.7	361.6	369.3
	R4	363.9	331.1	384.0	366.9	366.2	362.2	372.5
	O3	355.1	317.0	367.4	356.5	339.3	339.1	346.8
	AVG	356.2	-	381.7	362.5	354.7	349.0	362.3
Young Bulls	U3	362.8	331.5	379.4	366.0	369.0	370.9	373.5
	R3	356.6	320.5	373.8	358.4	360.8	360.6	364.2
	O3	339.1	296.4	339.3	335.4	324.8	336.7	330.3
	AVG	347.2	-	370.9	354.6	354.4	354.3	359.5
Prime Cattle Price Reported	5,278	-	6,538	7,039	8,274	5,252	27,103	
Cows	O3	286.3	247.8	285.3	281.8	282.3	277.5	281.6
	O4	287.1	249.9	288.3	286.5	282.4	272.2	282.2
	P2	250.0	223.6	240.0	239.9	240.0	243.6	241.1
	P3	269.2	240.2	253.7	249.2	255.1	260.2	255.8
	AVG	267.1	-	281.1	271.8	256.4	249.8	260.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=90.40p 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 LIVELWEIGHT CATTLE MART PRICES NI

W/E 27/06/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	225	232	228	200	224	212
Friesians	160	178	169	85	159	122
Heifers	224	242	233	198	223	210
Beef Cows	178	201	189	120	177	148
Dairy Cows	130	148	139	78	129	103
Store Cattle (p/kg)						
Bullocks up to 400kg	204	311	257	155	203	179
Bullocks 400kg - 500kg	210	234	222	155	209	182
Bullocks over 500kg	211	222	216	160	210	185
Heifers up to 450kg	212	250	230	170	211	190
Heifers over 450kg	215	237	226	180	214	197
Dropped Calves (£/head)						
Continental Bulls	430	565	495	300	425	362
Continental Heifers	425	465	445	255	420	335
Friesian Bulls	200	275	235	100	195	145
Holstein Bulls	100	180	140	50	90	70

LATEST SHEEP MARTS (P/KG LW)

From: 26/06/20		Lambs			
To: 02/07/20		No	From	To	Avg
Saturday	Omagh	465	424	443	-
	Swatragh	930	395	448	-
Monday	Massereene	753	435	467	-
	Kilrea	380	423	463	-
Tuesday	Saintfield	605	420	465	-
	Rathfriland	750	450	483	460
Wednesday	Ballymena	1680	430	481	455
	Enniskillen	387	410	452	-
	Armoy	712	435	480	-
	Markethill	840	440	485	-

Strict Covid - 19 restrictions are in place across all of the livestock marts

REPORTED NI CATTLE PRICES - P/KG

W/E 27/06/20	Steers	Heifers	Young Bulls
U3	366.1	367.8	362.6
R3	361.4	362.4	357.0
O+3	353.5	355.5	348.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 27/06/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	181.7	194.2	212.7	223.1
P2	203.4	231.8	248.5	261.5
P3	207.4	247.1	260.6	272.8
O3	216.6	269.3	285.7	286.8
O4	222.8	267.6	275.2	289.2
R3	-	-	-	302.9

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 29/06/20	Next Week 06/07/20
Lambs up to 21kg	425-445p	460-470p

REPORTED SHEEP PRICES

(P/KG)	W/E 13/06/20	W/E 20/06/20	W/E 27/06/20
NI L/W Lambs	437.9	418.3	423.8
NI D/W Lambs	472.7	449.7	443.2
GB D/W Lambs	492.7	468.6	471.1
ROI D/W	482.4	465.2	460.8

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90 PER CENT OF ADULTS IN NORTHERN IRELAND ENJOY RED MEAT

An omnibus survey completed on behalf of the Livestock and Meat Commission for Northern Ireland (LMC) has shown that, since reporting last year, the vast majority of local consumers still continue to eat beef and lamb.

Out of a representative sample of 1,044 respondents, 90 per cent said they still incorporate red meat as part of their diet, which is no significant change on results from last year.

"It is extremely encouraging to get such positive statistics for the second year in a row," said LMC's Industry Development Manager, Colin Smith.

"Northern Ireland continues to produce some of the best Farm Quality Assured beef and lamb in the world and it's great to see so many local consumers

continuing to enjoy it, especially during these unprecedented times."

"LMC has continued to work hard to communicate the benefits of locally produced beef and lamb as part of a healthy balanced diet to consumers throughout the year. LMC's advertising campaign ran from October 2019 to March 2020 on all forms of media."

Colin Smith LMC

"Since April of this year our advertising activity has focussed primarily on social media platforms, where we have been reaching and engaging with large numbers of consumers on a daily basis.

"LMC will continue to support our local producers by educating consumers as to the benefits of red meat as part of a

healthy balanced diet. Providing consumers with the scientific facts to make an informed decision is at the heart of LMC's Education and Consumer promotion work.

LMC's Education and Consumer Promotions Manager, Lauren Hyde added: "Beef and lamb are rich sources of high biological value protein, Haem Iron, B vitamins and Zinc, amongst many more vitamins and minerals. These nutrients are vital for optimum metabolic functioning which includes a healthy immune system, and to promote growth and repair of cells.

"It is best to obtain these from the most bioavailable source, which for a lot of these nutrients, is beef and lamb. This ensures we are obtaining the best version of the nutrient, in the most

effective way, something our bodies cannot do as well from synthetic sources".

Colin Smith concluded: "We are

Image 1: Beef and lamb are rich sources of high biological value protein, Haem Iron, B vitamins and Zinc, amongst many more vitamins and minerals

RED MEAT 'HAEM IRON' IS
2-6X BETTER

ABSORBED THAN
'NON HAEM IRON'



delighted to see that these positive messages are continuing to register with the public at large. Consumers throughout Northern Ireland have been more tuned in to local sourcing in recent months and our research is evidence of this.

"We are encouraged that consumers continue to support our local farmers and processors by looking for the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme logo when purchasing beef and lamb.

"The logo means that red meat has been produced to the highest animal welfare standards, with care for the environment and is fully traceable from farm to fork. Consumers should always look out for the FQAS logo to ensure they are purchasing the highest quality, locally produced beef and lamb."

FOOD SERVICE SECTOR STARTING TO RE-EMERGE FROM COVID-19

Livestock and Meat Commission (LMC) Chief Executive Ian Stevenson has highlighted the attempts that many companies within the catering and service sectors are now making to kick start their businesses in the wake of the Covid-19 shutdown.

He said: "It was encouraging to note that many of our restaurants and food service businesses began offering take away-meals and delivery services during Covid-19 restrictions and we are now beginning to return to some sort of normality with new rules for Northern Ireland coming into effect from the 3rd July.

These allow hotels, restaurants, pubs and bars to serve food indoors on a table service basis, with alcohol being ancillary to food provision.

According to Ian, the service sector accounts for 35 per cent of all beef and lamb sales in Northern Ireland. He continued: "In addition to the actual volumes of meat procured, the sector is also a major player when it comes to delivering carcass balance for red meat processors. A case in point is the fact restaurants and catering companies procure large numbers of steaks and other high end beef cuts on a year-round basis.

Image 2: The food service market accounts for 35 per cent of beef and lamb sales in Northern Ireland and its closure since March 2020 has created significant challenges for the local industry in terms of carcass balance.



"Food service operators are also major players within the lamb sector. Those supplying cruise ships, for example, have a high requirement for loins of lamb. All of this has major implications for the prices paid to farmers for their cattle and sheep."

Ian went on to point out the role played by many service sector companies in copper-fastening the management standards achieved on farm here in Northern Ireland. These same businesses are also committed to improving the sustainability of our farming systems. McDonald's is a case in point," he stressed. "The company will only accept beef that has been produced on Farm Quality Assured farms."

Ian concluded: "The Covid-19 shutdown and the consequential impact on the food service sector has had a very severe knock-on effect for red meat processors here in Northern Ireland. Yes, there has been an increase in the retail demand for beef and lamb over recent weeks. But it has not been enough to compensate for the downturn in service sector demand.

"The road to business as usual for the food service sector may be slow but it is encouraging to see the green shoots of recovery emerging. This should have a positive impact on the beef and sheep supply chain as 2020 progresses and with Brexit looming just over the horizon.

'GREEN GROWTH' STRATEGY

Recent days have seen Northern Ireland's Agriculture Minister Edwin Poots MLA confirming the critically important role that 'Green Growth' recovery will play in developing a sustainable economy post-Covid-19.

LMC Chief Executive Ian Stevenson welcomes the focus on green growth and believes that the activities of the Commission are already playing a key role in driving sustainability throughout the farming and food industries. These include the active involvement of LMC staff with a range of international organisations, including the Sustainable Agriculture Initiative (SAI) and the European Roundtable for Beef Sustainability (ERBS). He explained:

"LMC is a member of the SAI Platform and has been actively participating in the organisation's work on beef supply chain sustainability since 2011. LMC has actively promoted the work of the Beef Working Group and the ERBS to industry stakeholders at home in Northern Ireland."

ERBS was formally launched in 2018 with Ian Stevenson a current member of the Interim Board. LMC has been working closely with industry colleagues within the UK to establish the UK Cattle Sustainability Platform. This will help businesses collaborate and share information to support and measure progress towards achieving sustainable beef, including delivery against the ERBS targets.

"Sustainability of the beef supply chain is a passion of LMC's and our organisation is not just seen but is recognised as a strategic leader and promoter of sustainability initiatives within the region. This includes the development and operation of the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme, collaboration with Animal Health and Welfare Northern Ireland on the programme to eradicate BVD from the cattle herd, and participation in the Food Futures Project.

"This project, led by Professor Nigel Scollan, Director of the Institute for Global Food Security at Queens University Belfast, along with Dr Steven Morrison of the Agri-Food and Biosciences Institute at Hillsborough, aims to put sustainability at the heart of the Northern Ireland agri-food sector, by developing a series of metrics and industry tools with which to measure sustainability."

Ian Stevenson also chairs the Red Meat Sub group of the joint Industry / government Greenhouse Gas Implementation Partnership (GHGIP) in Northern Ireland. Over the past 12 months, LMC has been working with other members of the partnership on delivery of the 'Efficient Farming Cuts Greenhouse Gases' implementation plan, covering the period 2016 to 2020 and on the development of the action plan for the next period of operation.



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