

Diary Dates

FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact Seamus on the FQAS helpline: **028 9263 3024**

Answerphone Service

Factory Quotes &
Mart Results

Updated 5pm Daily
Next week's quotes
available each Friday

Tel: 028 9263 3011

Comments:
bulletin@lmcni.com

THE MARKETS

LMC BULLETIN

Thursday March 04, 2010

Issue No. 2106

FQAS REACHED RECORD LEVEL IN 2009

A NEW record high for the percentage of slaughtered domestic beef that is farm quality assured was reached in 2009. 92.4% of Northern Ireland origin clean beef was FQAS. The previous highest level achieved was 91% in 2004. The highest individual category was for steers where 94% of those killed were farm quality assured, and even cull cows and bulls reached an acceptably high level of 70% farm quality assured.

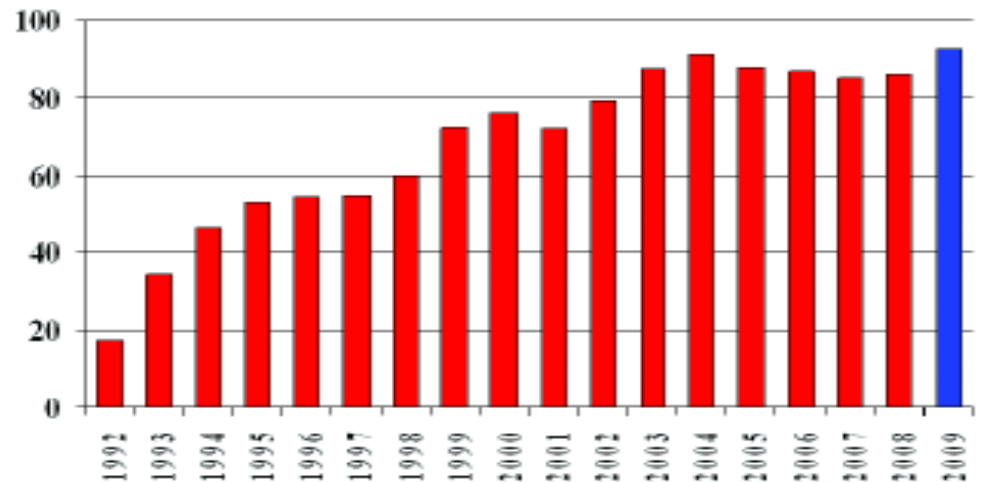
This record level has been achieved despite a 3% fall in scheme membership in 2009. Seamus McMenamin, the FQAS Manager, says "The fall in membership reflects the general contraction within the industry, but as the proportion of FQAS beef has increased it is perhaps indicative that some of those leaving the industry were not in FQAS." He added "The big encouragement in the last year has been the 13% increase in new applications to join the Scheme, and this augurs well for the future. No doubt the £30/head differential between FQAS and non-FQAS beef currently being implemented at the meat plants, recently reinforced in the new price specification, is a great encouragement for this"

The analysis of FQAS performance in 2009 also shows that the proportion of farms with no non-conformances raised at inspection has increased to 27%. This is a marked increase from 17% in the previous year. Furthermore the proportion of farms requiring re-inspection has fallen by 39% indicating that the non-conformances that were noted were relatively minor ones. These were mainly associated with keeping records of common veterinary operations, medicine purchase and usage (this is also a legal requirement), feed ingredients and

availability of the welfare codes. The only issue concerning production practice was that 16% of farms inspected were not taking enough care to prevent sharp edges in buildings. This may be a reflection of maintenance suffering in the current situation of increased costs and lack of genuine profit over all costs. However these minor non-conformances are all remedied within a month of the inspection, and consequently all FQAS participants meet all of the requirements of the scheme.

"This substantial improvement in performance on farms is a credit to FQAS members, and I congratulate them on it" said Mr McMenamin. "Members should note that performance on the administration side is also meeting targets with the average surveillance inspection interval at 16.7 months against a target of 18 months and 11% of members receiving a spot-check against a target of 10%."

Figure 1. FQAS Beef, 1992-2009 (percentage of NI domestic clean kill)



Sterling under pressure

IN recent weeks, sterling has come under renewed pressure with ongoing concerns about the British Government's ability and willingness to balance the budget after the next election.

Only a few weeks ago it was the euro which was depreciating, due to the sovereign debt concerns in Greece however, with a resolution seemingly reached on that issue, the euro has rebounded and sterling is in the spotlight once again.

On Tuesday sterling was worth only €1.10, its lowest value since the start of December. The pound was down 4c since last week when it was worth €1.14. It is down 6c since the end of January when it hit a six month high of €1.16.

The NI beef industry has benefited from a weak pound in the last two years, through increased single farm payments and improved trading conditions. A weak pound renders NI beef more competitive in Europe and more competitive in GB relative to ROI beef. The table below shows the impact of the change in the value of sterling on NI carcass values in euro terms.

NI U3 Heifer Price in Euro Terms (300kg CW) Based on constant price of 275p/kg			
	28 Jan	24 Feb	2 Mar
Pound Worth	1.16p	1.14p	1.10p
Price	319.0p	313.5p	302.5p
Carcass Value	£957	£941	£908

THE MARKETS

Succession Planning for Farm Quality Assured Farms

A characteristic of Northern Ireland's farming sector has been the important role of the family farm, whereby farms pass from one generation to the next over time and where production for the market is achieved almost exclusively by family labour. With many farmers now approaching retirement age the transfer of farming units to subsequent generations is becoming an increasingly common occurrence. Traditionally when a farmer died or passed the farm to a successor his/her herd number also transferred but recent changes to legislation means that this is no longer possible and as a result the new herd keeper must become registered and thereby obtain their own herd number.

All cattle can then be transferred to the newly registered herd numbers but it is important to note that the Farm Quality Assured status does not transfer with the cattle unless the new herd has been registered as Farm Quality Assured. If cattle are moved into a herd which is not registered as Farm Quality Assured they will lose their assured status and have to begin their 90 day residency period again before being eligible for Farm Quality Assured status. This can have financial implications for the producer when presenting cattle for sale at the markets or at the abattoir.

To avoid such problems it is important that the producer informs the Farm Quality Assurance Scheme of any changes to the herd number of a Farm Quality Assured farm. For example in the unfortunate event of the death of the herd owner or a transfer of a herd to a successor then the producer must inform the farm quality assurance scheme in writing of the

circumstances surrounding the change and the details of the new herd number. This should be done before any cattle are moved into a new herd to avoid implications on the Farm Quality status of animals in the herd.

By informing the Farm Quality Assurance Scheme of any changes to herd numbers prior to moving the cattle producers can ensure that cattle will maintain their FQ assured status and where applicable their Farm Quality Pending Status, thereby preventing what could be quite severe financial implications further down the line.



Contact us:

Website: www.lmcni.com

Telephone: 028 9263 3000

Fax: 028 9263 3001

FQAS Helpline: 028 9263 3024

Answerphone: 028 9263 3011

Classification Queries: 028 9263 3012

Text Service

Free Price Quotes sent
to your mobile phone
twice weekly

Email - bulletin@lmcni.com

Tel: 028 9263 3020

LMC does not guarantee the accuracy or completeness of any third party information provided in or included with this publication. LMC hereby disclaims any responsibility for error, omission or inaccuracy in the information, misinterpretation or any other loss, disappointment, negligence or damage caused by reliance on third party information.

Not for further publication or
distribution without prior permission
from LMC

THE MARKETS

Beef marts (£/100kg liveweight) (Seven Days Ending 01/03/10)

Finished Cattle			Store Cattle			Dropped Calves (£/head)		
	from	to		from	to		from	to
Steers			Store bullocks up to 400kg			Continental bull calves		
1st quality	145	176	1st quality	160	225	1st quality	220	360
2nd quality	135	152	2nd quality	140	170	2nd quality	120	225
Friesians	110	131	Store bullocks 400kg-500kg			Continental heifer calves		
			1st quality	158	193			
			2nd quality	138	169			
Heifers			Store bullocks over 500kg			Friesian bull calves		
1st quality	152	178	1st quality	150	176			
2nd quality	125	151	2nd quality	130	154			
Beef Cows			Store heifers up to 450kg			Holstein bull calves		
1st quality	110	147	1st quality	155	188			
2nd quality	88	123	2nd quality	125	155			
Dairy Cows			Store heifers over 450kg					
1st quality	90	116	1st quality	150	180			
2nd quality	48	93	2nd quality	130	152			

Sheep Prices

Lamb Quotes

	W/E 24/02/10	W/E 03/03/10
Hoggets	390p	390-400p

PAID PRICES (Average) P/Kg

	W/E 13/02/10	W/E 20/02/10	W/E 27/02/10
NI Liveweight	349.20p	348.74p	--
NI Deadweight	401.25p	393.46p	--
GB Deadweight	412.1p	411.3p	408.7p

SHEEP MART PRICES SEVEN DAYS ENDED 02/03/2010

		Hoggets		
		No.	From	To
Wednesday	Ballymena	980	340	393
	Enniskillen	384	330	365
	Newtownstewart	150	320	362
	Markethill	650	340	372
Thursday	Downpatrick	188	340	372
Saturday	Hilltown	150	340	357
	Donemana	627	333	379
	Swatragh	540	358	382
	Omagh	255	365	389
Monday	Crumlin	813	350	388
	Kilrea	620	340	365
Tuesday	Saintfield	457	345	383
	Rathfriland	432	350	403

Sheep

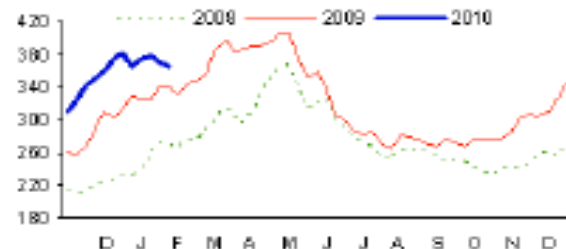
NI Hogget Slaughtering ('000 head per week)



Hogget quotes 390-400p/kg

THE factories have increased the quote for hoggets this week to 390-400p/kg having paid 385-390p/kg earlier in the week. These higher quotes may have been prompted by tighter supply. Last week, the overall sheep kill was down by around 1,000 (14 per cent) head with only 6,200 sheep slaughtered in the NI plants. Last week around 3,800 sheep were exported from NI to ROI for direct slaughter, consistent with the trend for the year to date.

NI Average Weekly Sheep Price (p/kg CW)



This week's marts

THIS week prices have firmed in the sheep marts having been somewhat subdued for several weeks. In Rathfriland the reported price 350-403p/kg was up from 333-374p/kg last week, with double the number of hoggets through the ring this week also. The price was also improved in Saintfield on Tuesday with 345-383p/kg paid for hoggets. This is up from 340-370p/kg last Tuesday.