LMC BULLETIN
WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND
Saturday June 02, 2012 Issue No. 2220

ONGOING VARIATION IN FARMGATE BEEF PRICES ACROSS THE UK AND IRELAND

AN ongoing source of debate in the NI beef industry is the differential that generally exists between prices in NI and prices elsewhere in the UK / Ireland. While NI prices have been very strong over the course of the last year, the trade has been stronger in GB. Similarly, NI prices have generally been stronger than those in ROI.

Figure 1 clearly shows that the pressure on price in NI over the course of the last number of weeks has been generally matched by a slight softening in price in GB with prices there lower than in mid-April.

As usual, Scottish prices have outperformed those in the rest of the UK over the course of the last 12 months. Various reasons have been advanced for this differential in the past. The strong Scotch beef brand and a greater dominance of speciality breeds which attract bonuses are probably valid explanations for the difference although other reasons may exist.

A gap has existed between NI and GB farmgate prices over the course of the spring. GB R3 steer prices have on average been 10p/kg higher than corresponding prices in NI since the start of the year. In the first five months of 2012 the average gap between NI and Scottish R3 steer prices has been about 19p/kg.

Prices in Southern England were about 1p/kg higher than NI levels on average since the start of 2012. However, the Southern England R3 steer price was the lowest of all GB regions over the course of the last year. This has generally been the case over the last number of years.

In recent years the differential between NI and GB prices has narrowed in the springtime, but in 2012 this has not really happened. The spread in prices across the UK regions has certainly been wider this May. In May 2012 NI prices were generally about 9p/kg lower than GB levels. Last May the average difference was about 2p/kg. It is worth noting that while last May about 75 finished cattle were exported per week to GB, the corresponding figure for this May was about 130 head per week.

One of the interesting trends about last May was that the ROI trade was "on fire" with farmgate prices in the south rising close to Scottish levels in sterling terms. This year the ROI trade remains strong, but in sterling terms prices are much lower given the weakness of the euro.

This week the Euro came under further pressure with its value in sterling terms dropping back to below 80p in the middle of this week. This is clearly making ROI beef more competitive in the GB market and allows latitude for farmgate prices in ROI to rise or at least remain steady.

Cull cow prices

Figure 2 shows that Scottish producers also enjoyed the highest cow prices in the UK over the course of the last year with the average weekly cow price in Scotland generally 20p/kg higher than the GB average for the year- to-date. For the last five months, the average NI cull cow price has been about 2.5p/kg lower than GB levels. Southern English prices, perhaps because of greater numbers of dairy cattle in the slaughter mix there, have been significantly (28p/kg) lower than the average across GB.

Figure 1. Weekly R3 Steer Prices, UK and ROI May 2011- May 2012

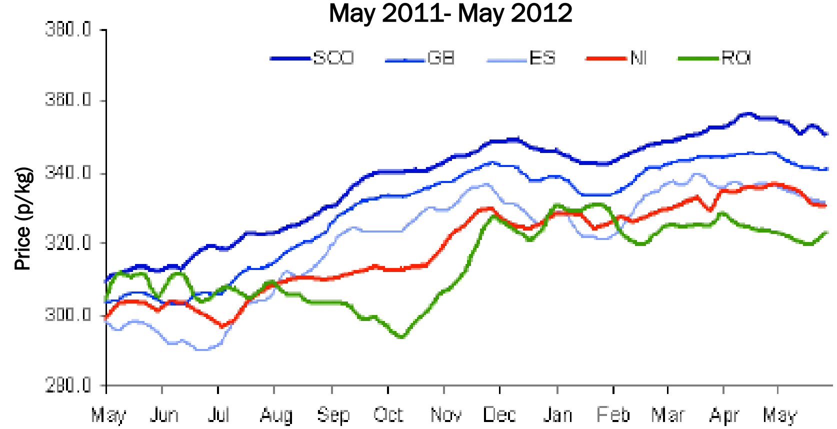
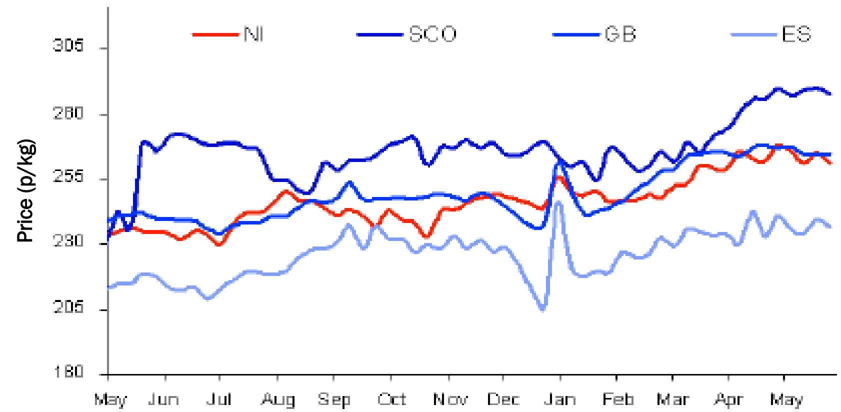


Figure 2. Weekly Average UK Cow Prices May 2011 - May 2012



LMC QUARTERLY

SIGN UP NOW TO RECEIVE IT BY POST

CONTACT:
028 9263 3000

Export of beef to UAE approved

LAST week, the UK Export Certification Partnership (UKECP) announced that an export health certificate for fresh beef had been agreed between the United Arab Emirates (UAE) and the UK. This means that the NI industry is now in a position to export beef to the UAE.

Over the last number of years it has become increasingly clear that the Middle East and North Africa region is an area that has significant potential as a beef and lamb export market. While beef production in this region is growing, potential for production growth is generally limited and output has not kept pace with demand.

Per-capita consumption across the region has increased by 40 per cent in the last 10 years and with significant population growth, demand is strong. Since 2001 imports of beef into the region have tripled to almost 1.6m tonnes, so it is therefore positive that one of the key markets within that region has now opened its doors to UK beef.

Although Egypt, Iran, Saudi Arabia and Israel are all larger beef importers than UAE, this development still represents an opportunity for the Northern Ireland industry.

Beef imports into the UAE have more than doubled in the last 10 years. In 2001, about 35,000 tonnes of beef were imported to UAE, compared to about 80,000 tonnes last year. It has a population of about 8.3m with large numbers of expatriates which is bound to drive demand.

The UAE economy has undergone significant growth in the last 10 years and it continues to develop. Dubai has evolved into a popular tourist destination and the region is now recognised as an international business hub. These factors are bound to foster ongoing growth in demand for high quality beef, particularly in the foodservice sector.

This development follows a great deal of time and effort from the UK Export Certification Partnership, an industry / government organisation that is part-funded by NI producers and processors through the LMC levy.

In 2011, the UKECP agreed 40 new export health certificates for cattle and sheep products.

HOLIDAY WEEKEND

LMC'S OFFICES WILL BE CLOSED 4 - 5 JUNE 2012 REOPENING ON WEDNESDAY 6 JUNE

LMC

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

LMC

CATTLE TRADE

CATTLE QUOTES		
(P/KG DW)	This Week 28/05/12	Next Week 04/06/12
U-3	322 - 326p	320 - 326p
R-3	316 - 320p	314 - 320p
O+3	310 - 314p	308 - 314p
Cows	280 - 290p	280 - 290p

Plus 8p/kg in-spec bonus where applicable.

LAST WEEK'S NI CATTLE PRICES - P/KG				
W/E 26/05/12	Steers	Heifers	Young Bulls	Cows
U-3=	335.9	337.9	327.8	-
U=3=	334.4	336.7	326.7	-
U=4=	321.6	332.1	-	-
R=3=	331.8	333.8	321.1	294.9
R=4=	324.1	328.9	-	301.1
O=3=	315.7	309.9	307.5	287.1
O+3=	326.9	323.5	311.7	289.9
O+4=	319.4	321.6	-	289.5
P+2=	289.3	272.6	291.3	244.1
P+3=	297.5	294.9	298.6	273.8
Average	322.8	324.3	312.2	261.1

Note: The table above shows prices for selected grades from the 15-point scale. The table below merges grades down to the 5-point scale for comparison with GB regions and ROI.

LAST WEEK'S CATTLE PRICES (UK / ROI)							
W/E 26/05/12		Scotland	Northern England	Midlands & Wales	Southern England	Northern Ireland	Rep of Ireland
Steers	U3	357.9	347.4	346.2	342.3	333.6	331.3
	R3	350.9	339.5	335.5	331.8	330.8	323.3
	R4	353.7	345.1	334.5	330.6	326.2	323.2
	O3	342.1	320.0	314.7	310.5	316.8	311.5
	Average	352.0	337.6	329.5	312.3	322.8	-
Heifers	U3	358.3	347.2	347.7	337.2	338.7	344.9
	R3	349.6	337.5	335.1	332.1	333.4	333.5
	R4	352.2	337.8	335.0	328.2	328.9	333.2
	O3	328.8	323.3	317.0	309.0	319.1	319.2
	Average	350.2	334.6	330.6	320.0	324.3	-
Young Bulls	U3	347.5	333.3	337.3	339.5	327.1	329.7
	R3	341.0	323.0	326.5	326.7	320.2	324.0
	O3	324.4	305.9	307.5	307.2	305.8	312.9
	Average	339.7	315.0	322.0	318.5	312.2	-
Prime Cattle Price Reported		7,090	6,669	5,423	4,428	4,640	-
Cows	O3	293.0	285.2	274.4	260.1	280.8	287.9
	O4	294.6	283.2	282.7	264.5	285.3	289.2
	P2	238.7	231.2	239.5	225.3	245.9	261.6
	P3	262.3	264.0	249.2	250.7	269.7	284.3

Notes:
(i)Prices are p/kg Sterling-ROI prices converted at 1 euro=80.44p Stg.
(ii) Shading indicates a lower price than the previous week.

Deadweight Cattle Trade

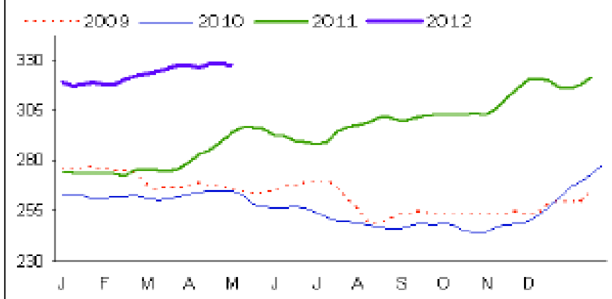
DESPITE some factories quoting 320p/kg last weekend for U-3 grade steers and heifers, quotes settled at 322-326p/kg at most plants during the week. The majority of factories are quoting similar prices for Monday, although one plant is quoting 320p/kg for steers. With every other plant quoting 322-324p/kg for steers and at least 324p/kg for heifers, it is difficult to see buyers securing supply at that lower price.

Last week's reported prices reflected a gradual easing in quotes in recent weeks. In NI, the average steer price was back by 2.5p/kg, while the average heifer price was back by 2p/kg. Young bull prices were back by 3p/kg with the average cow price about 3.5p/kg lower.

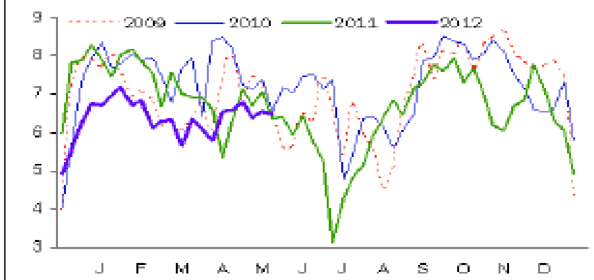
Supply remained reasonably steady last week with about 8,500 head slaughtered locally. This was almost the exact same as the week before and is similar to the same week last year. The NI plants imported slightly fewer cattle from ROI, with almost 530 coming across the border for direct slaughter. About one lorry load was imported from GB. About 210 head were exported from NI to ROI last week for direct slaughter with about a further 80 head going to GB.

Prices in GB were back slightly last week with R3 steer and heifer prices in Scotland back by about 2p/kg. In ROI the weaker euro seemed to give southern prices the room to increase. Steer prices there were up by 3-4c/kg. This increase was slightly lower in sterling terms.

NI Average Weekly Clean Cattle Price (p/kg CW)



NI Clean Cattle Slaughterings ('000 head per week)



More detailed information on prices and explanations of these tables and charts are available from the LMC Technical Department:
Call 028 9263 3000.

LATEST NI BEEF MARTS								
Finished Cattle (£/100kg LW)			Store Cattle (£/100kg LW)			Dropped Calves (£/head)		
	from	to		from	to		from	to
Steers			Store bullocks up to 400kg			Continental bull calves		
1st quality	184	215	1st quality	184	250			
2nd quality	172	183	2nd quality	166	183	1st quality	260	315
Friesians	142	166				2nd quality	180	255
			Store bullocks 400kg-500kg					
Heifers			1st quality	185	214	Continental heifer calves		
1st quality	185	215	2nd quality	150	184			
2nd quality	162	184				1st quality	270	370
			Store bullocks over 500kg			2nd quality	150	260
Beef Cows			1st quality	180	193			
			2nd quality	154	179	Friesian bull calves		
1st quality	160	195						
2nd quality	132	159	Store heifers up to 450kg			1st quality	160	180
			1st quality	175	201	2nd quality	125	155
Dairy Cows			2nd quality	153	174			
						Holstein Bull Calves		
1st quality	123	147	Store heifers over 450kg				20	65
2nd quality	100	122	1st quality	177	201			
			2nd quality	148	176			

Taken from a sample of beef marts in the week ended 25/05/12

SHEEP TRADE

Deadweight Sheep Trade

THE deadweight sheep trade which has been weak for several weeks now appears to have bottomed out. Factories were quoting 350p/kg for 21kg lambs this week and a similar if not better trade is expected next week. Numbers remains strong however. Last week, the weekly kill was greater than 7,000 head for the first time this year. This is about 1,000 more than the previous week and about 2,000 head more than in the same week last year. Meanwhile, fewer than 6,000 head were exported to ROI as buyers there remained less inclined to buy northern sheep.

SHEEP QUOTES

(P/KG DW)	This Week 28/05/12	Next Week 04/06/12
Spring Lambs	350p	350p

Lambs up to 21kgs.

REPORTED COMBINED LAMB/HOGGET PRICES - P/KG

(P/KG)	W/E 12/05/12	W/E 19/05/12	W/E 26/05/12
NI Liveweight	360.4p	354.9p*	312.5p*
NI Deadweight	381.4p	376.0p	345.9p
GB Deadweight	434.4p	438.2p	441.0p*

**Lambs only*

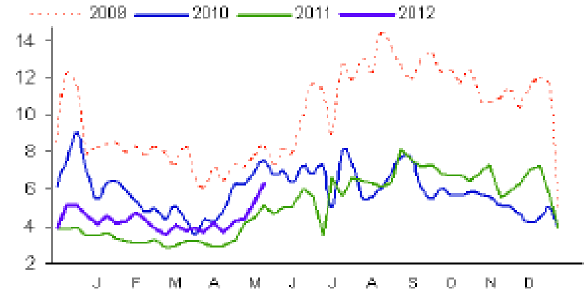
LATEST SHEEP MARTS

From: 26/05/2012 To: 01/06/2012		Spring Lambs (P/KG LW)			
		No.	From	To	Average
Saturday	Omagh	75	317	329	-
Monday	Massereene	642	305	330	-
	Kilrea	240	300	320	312
Tuesday	Saintfield	391	300	350	318
	Rathfriland	360	308	330	319
	Armoy	158	302	325	318
Wednesday	Ballymena	501	290	354	316
	Enniskillen	223	318	345	
	Markethill	80	308	330	325
	Newtownstewart	400	320	349	318
Thursday	Downpatrick	200	290	318	306

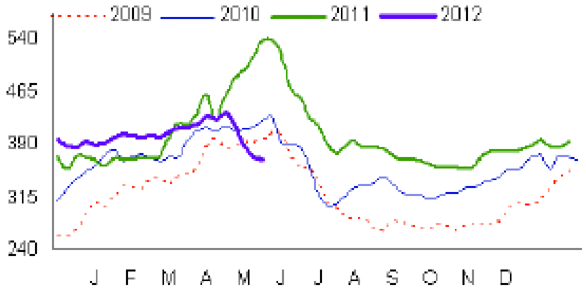
This weeks marts

DURING the week, the liveweight sheep trade seemed to undergo something of a recovery with prices slightly improved compared to the previous week. In Ballymena for example, lamb prices averaged 316p/kg, up from 300p/kg the previous week. Similarly in Saintfield on Tuesday, the average price of 318p/kg was better than the 307p/kg reported the previous week. Newtownstewart reported an average price of 318p/kg for lambs on Wednesday evening. This was up from 302p/kg last week.

NI Lamb / Hogget Slaughterings ('000 head per week)



NI Average Weekly Sheep Price (p/kg CW)



Contact us:

Website: www.lmcni.com

Telephone: 028 9263 3000

Fax: 028 9263 3001

FQAS Helpline: 028 9263 3024

Answerphone: 028 9263 3011

Comments: bulletin@lmcni.com