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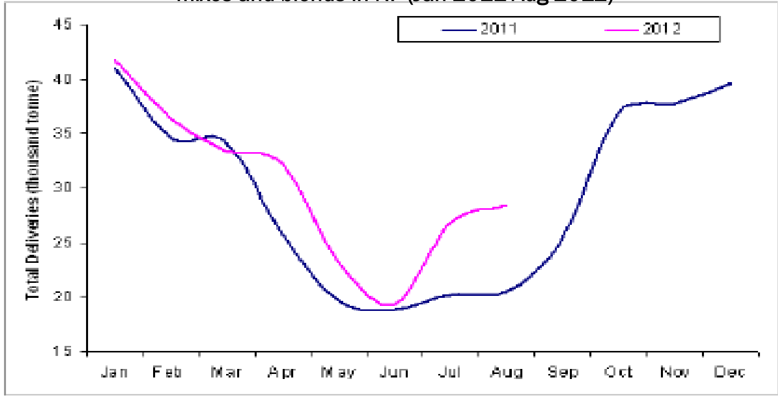
BEEF PRODUCTION: WET WEATHER INCREASES CONCENTRATE USAGE

THE wet summer has had a detrimental effect on Northern Ireland's beef industry by slowing down grass growth, severely impacting grazing and harvesting conditions and having a negative effect on animal performance. This has increased the reliance on expensive concentrates to keep breeding stock in condition and get fat-stock through to finish.

The latest Northern Ireland Animal Feed Statistics produced by DARD indicate a 33.8 per cent increase in the quantity of beef compounds sold and a 41.2 per cent increase in the quantity of coarse beef mixes and blends sold when comparing August 2011 and August 2012 as outlined in Figure 1. As a result of these increased meal inputs the costs of beef production has increased and this is expected to carry right through the winter.

According to MET office figures it has been the wettest summer in 100 years and the second wettest summer since records began. This has had a significant negative effect on the quantity, and quality of silage ensiled on many NI farms this year and will mean producers will have to feed more concentrates if they want to maintain animal performance. However as the level of concentrates being fed increases the price has also increased as the wet weather has also had a detrimental effect on crop production and has markedly reduced yields.

Figure 1: Combined deliveries of beef cattle compounds and beef coarse mixes and blends in NI (Jan 2011-Aug 2012)



Preliminary figures from the EU Directorate-General for Agriculture and Rural Development (DG AGRI) have predicted the EU cereal harvest to reach 276.2 million tonnes this year due to difficult weather conditions, a 3.3 per cent reduction on last year and the five year average. The wheat yield in England was down 15 per cent on previous years due to the wet weather with reduced yields in Hungary, Romania and Bulgaria also due to a late drought.

This will result in higher animal feed prices and food prices in the EU this year, with feed and food prices already being driven up due to a rise in grain costs following a major drought in the US and a heat-wave in Russia negatively affecting yields.

The reduced yields may ultimately lead to higher cereal prices as competition for animal feed and food increases. The FAO food price index is used to measure the monthly change in international prices of a basket of food commodities and consists of the average of five commodity group price indices (meat, dairy, cereals, oil and fats and sugar). In September 2012 the average food index price was 216 points, up 3 points (+1.4 per cent) from August. The meat price index meanwhile has increased by four points from to 175 points (+2.3 per cent) while cereal costs have increased by three points to 263 points (+1.2 per cent) month on month. This compares to a food index price for cereals in September 2011 of 244, representing an increase of 7.8 per cent increase over the course of the year. Increased competition for cereals for animal and human consumption has resulted in an escalation in food/feed price inflation.

The latest Market Information report for NI issued by the Home Grown Cereals Authority (HGCA) has indicated that the cost per tonne of barley delivered into Belfast is £197.50. Meanwhile the cost of wheat delivered into the port is 213.50. This is a 21.2 per cent and a 27.8 per cent increase respectively on prices the same week last year.

NI BEEF INDUSTRY KEY PERFORMANCE INDICATORS: SEPTEMBER SNAPSHOT

THE average prime cattle price for September 2012 was 308.4p/kg, a 6.3p/kg (+2.1 per cent) increase on the average price in September 2011 as outlined in Table 1. The average cow price has come back 5.3p/kg (-2.2 per cent) over the same period to 235.1p/kg.

Table 1 indicates that the R3 steer price in NI has increased by 1.9 per cent to 318.1p/kg (+6p/kg) between September 2011 and September 2012. Meanwhile in GB the R3 steer price showed an increase of 5.6 per cent to 350.7p/kg (+18.6p/kg) over the course of the year.

Prime cattle slaughterings in September 2012 were 4.7 per cent lower than in September 2011. This is fairly indicative of the cattle numbers this year with the prime cattle kill for the first nine months of the year down 5.3 per cent. It is worth noting that the 63.2 per cent increase in the number of cattle being imported for direct slaughter (+1,910 head) when comparing September 2012 and September 2011. This has resulted in a greater proportion of the prime kill comprised of imported cattle, most of which were sourced in ROI. The 8.4 per cent decline in the value of the euro against sterling between September 2011 and September 2012 has made ROI sourced cattle much more competitive and could be one reason behind the substantial increase in imports between the two months.

Exports out of NI for direct slaughter have also shown increases over the same period with 2,185 cattle being exported in September 2012, a 40.5 per cent increase on the 1,555 exported in September 2011. The number of cattle exported to GB has increased from 916 head in September 2011 to 1283 in September 2012 (+40.1 per cent)

Prime cattle carcases in September 2012 were on average 2kg lighter than September 2011. The overall trend for the year to date however has been towards heavier carcases with prime carcase weights for the first nine months of the year averaging 341.3 kg, 7.1kg heavier than the first nine months of 2011. The average cow carcase weight was back 2.9 per cent in September 2012 to 289kg, a decline of 8kg on September 2011. Meanwhile the total cow kill for the month of September was up 24.7 per cent on September 2011 with the plants reporting strong supplies of dairy cow numbers in particular. The cow kill for the year to date is 5.1 per cent ahead of the same period in 2011.

The number of beef cattle on the ground has shown a slight increase over the course of the year to 440,889 head in September 2012. Meanwhile calf birth registrations in September 2012 are markedly behind September 2011 with 9.8 per cent fewer calves being registered. Beef sired calves have shown the greatest reduction, down 12.8 per cent compared to dairy sired male calf registrations declining by one per cent. The reduction in beef calf birth registrations should not be taken as a reduction in future supplies however as calf registrations were higher in July and August 2012 than in 2011.

TABLE 1. NI Beef Industry Key Performance Indicators (September Snapshot)

	Sep-11	Sep-12	% Change
Finished Cattle Prices (p/kg)			
Average Prime Cattle Price	302.1	308.4	+2.1%
Average Cow Price	240.4	235.1	-2.2%
Average R3 Steer Price (NI)	312.3	318.1	+1.9%
Average R3 Steer Price (ROI)	299.5	299.1	-0.1%
Average R3 Steer Price (GB)	332.1	350.7	+5.6%
Slaughterings			
Total Clean Slaughterings (Head)	30,338	28,922	-4.7%
Total Cow Slaughterings (Head)	7,558	9,424	+24.7%
Average Clean Carcase Weight (kg)	340	338	-0.6%
Average Cow Carcase Weight (kg)	297	289	-2.9%
Trade (Head)			
Live Imports for Direct Slaughter	3,024	4,934	+63.2%
Live Exports for Direct Slaughter	1,555	2,185	+40.5%
Availability (Head)			
No. Cattle on the Ground*	438,992	440,899	+0.4%
Beef Sired	397,162	397,973	+0.2%
Dairy Sired (Male Only)	41,830	42,926	+2.6%
Calf Births Registrations (Head)			
Calf Births	26,086	23,533	-9.8%
Beef Sired	19,410	16,924	-12.8%
Dairy Sired (Male Only)	6,676	6,609	-1.0%
Euro / Stg Exchange Rate (€ / £)	87.2	79.8	-8.4%

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

All NI Figures Unless Otherwise Stated

BEEF : IMPROVEMENTS IN TECHNICAL EFFICIENCIES

These events are organised by CAFRE and AFBI and will provide practical information on technologies to improve farm profitability.

Location
- Enniskillen Campus Tuesday 30th October 2012 at 7pm
- Greenmount Campus, Antrim Wednesday 31st October 2012 at 7pm

SEMINAR TOPICS
- Calving replacement heifers at two years of age
- Bovine Information System (BovIS)
- Grassland management and feeding
- Genetics

GUEST SPEAKERS INCLUDE:

Simon Frost: A Beef Focus Farmer in the Farmers Weekly

Sam Chesney: Farmers Weekly Beef Farmer of the Year 2011 and is the current Ulster Grassland Farmer of the Year

FOR FURTHER INFORMATION CONTACT

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WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE (P/KG DW)	This Week 15/10/12	Next Week 22/10/12
Prime		
U-3	310-312p	310-314p
R-3	304-306p	304-308p
O+3	298-300p	298-302p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	260-275p	260-275p
Steakers	180-245p	180-240p
Blues	160-180p	160p

REPORTED NI CATTLE PRICES - P/KG

W/E 13/10/12	Steers	Heifers	Young Bulls
U-3=	318.8	325.8	315.3
U=3=	321.4	327.2	314.0
U=4=	313.3	311.9	-
R=3=	318.5	320.4	312.0
R=4=	316.9	315.9	-
O=3=	302.3	300.5	295.5
O+3=	313.9	316.0	299.8
Average	308.5	310.8	301.08

REPORTED COW PRICES NI W/E 13/10/12

Grades	Price (p/kg)	Avg Wgt
O+3=	281.5	330.9
O-3+	268.1	311.9
P+2+	249.8	292.4
P+3+	261.2	331.9
P-1-	188.5	223.3

COMMODITIES

COMMODITY PRICE

W/E 20/10/12	Price (£) per tonne / 1000litre	% weekly change
Barley	197.50	+0.25
Wheat	213.50	-
Soya	479.00	-1.00
Straw	16.00	-
Red Diesel	715-750	-

Deadweight Cattle Trade

QUOTES for U-3 grade prime cattle from the plants this week were in the range of 310-314p/kg. In general plants are quoting 310-312p/kg for steers and 312-314p/kg for heifers. The quotes for first quality cows this week were 260-275p/kg. Similar quotes are expected for Monday.

Prime cattle slaughterings last week were fairly similar to the previous week at 7,693 head. The proportion of steers, heifers and young bulls in the prime kill in the last four weeks has been identical to last year with 57 per cent of the prime kill made up of steers, 30 per cent heifers and 13 per cent young bulls. With 407 cattle exported to GB last week for direct slaughter it takes the number of cattle exported to 2,010 in the last six weeks. This is almost double the number exported in the same six week period in 2011 when 1,023 head were exported. The cow kill in NI last week was similar to the previous week, totalling 2,483 head while this week last year it was 2,008 head. This is an increase of 23.7 per cent. Meanwhile exports of cows to ROI for direct slaughter totalled 315 head, well up on the 199 head exported the previous week.

The R3 steer and heifer prices in NI last week were within 1p/kg of the previous week at 319.0p/kg and 320.3p/kg respectively. In Scotland the R3 steer price was unchanged at 361.9p/kg while the R3 heifer price came back 2.4p/kg to 359.3p/kg. Meanwhile in Northern England the R3 steer price was up almost 2p/kg on the previous week to 358.2p/kg with the R3 heifer price back 2.5p/kg to 349.5p/kg. The average GB price for R4 steers increased by 1p/kg to 358.0p/kg while the R4 heifer price was relatively unchanged at 353.9p/kg

Prices in ROI last week generally increased in sterling terms and were driven by an improvement in the value of the euro. The R3 heifer price increased by about 1p/kg last week to 298.5p/kg while the R3 steer price increased by almost 2p/kg to 310.8p/kg. The difference between NI and ROI for R3 steers and heifers was +20.5p/kg and +9.5p/kg respectively.

This week's marts

THE trade for finished prime cattle across the marts has generally been back on last week with first quality steers selling to 185p/kg liveweight compared to 190p/kg last week and first quality heifers selling to 184p/kg compared to 188p/kg last week. The trade for cull cows meanwhile has shown an improvement with good quality beef cows up an average of 7p/kg and the trade for good quality friesian type cows up 8p/kg.

Meanwhile the store trade has generally improved with the prices for good bullocks up to 400kg up 6p/kg to an average of 200p/kg. Plainer type bullocks in the same weight band sold to 180p/kg compared to 175p/kg last week. Meanwhile the trade for heifers up to 450kg was up an average of 8p/kg to 218p/kg with trade for plainer heifers similar to last week at 160p/kg. Prices for heavier store heifers (+450kg) were generally in line with last week

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

W/E 13/10/2012		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	320.0	308.1	365.5	359.0	362.0	356.7	361.6
	R3	319.0	298.5	361.9	358.2	350.7	347.7	355.6
	R4	318.2	298.1	365.1	360.5	350.5	348.7	358.0
	O3	305.7	283.4	351.5	342.5	335.9	326.7	341.0
	AVG	308.9	-	362.1	353.4	347.3	338.0	351.7
Heifers	U3	326.0	321.1	367.6	360.3	363.2	359.9	363.4
	R3	320.3	310.8	359.3	349.5	350.1	346.7	352.2
	R4	316.5	309.0	362.5	351.7	350.2	347.3	353.9
	O3	307.6	294.5	342.5	342.5	333.1	327.6	337.2
	AVG	310.1	-	359.1	348.7	347.1	337.6	349.5
Young Bulls	U3	314.5	307.7	352.1	345.9	354.2	353.9	350.5
	R3	312.8	300.1	347.5	336.0	343.2	338.7	340.0
	O3	295.8	285.2	327.4	318.0	322.5	326.2	322.1
	AVG	304.6	-	342.2	327.9	335.9	331.4	332.6
Prime Cattle Price Reported		5497	-	6809	6488	5744	4268	23309
Cows	O3	261.9	250.3	270.8	264.1	271.3	264.4	267.3
	O4	265.3	253.0	279.3	265.5	270.1	267.6	271.0
	P2	229.4	218.8	216.3	211.8	238.4	211.3	215.1
	P3	246.0	244.9	236.4	238.1	242.9	244.5	240.4
	AVG	231.7	-	269.5	230.2	258.7	223.3	243.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=80.66p Stg
(ii) Shading indicates a lower price than the previous week.

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 13/10/12	1st QUALITY From	To	Average	2nd QUALITY From	To	Average
Finished Cattle (p/kg)						
Steers	180	199	185	160	179	170
Friesians	135	150	141	105	134	119
Heifers	170	199	184	150	169	160
Beef Cows	148	178	160	120	147	133
Dairy Cows	112	153	117	80	111	95
Store Cattle (p/kg)						
Bullocks up to 400kg	192	222	200	170	191	180
Bullocks 400kg - 500kg	209	230	218	175	208	190
Bullocks over 500kg	175	206	182	160	174	167
Heifers up to 450kg	170	196	180	150	169	160
Heifers over 450kg	170	183	176	150	169	160
Dropped Calves (£/head)						
Continental Bulls	225	325	285	150	220	185
Continental Heifers	170	215	200	100	168	135
Friesian Bulls	100	198	150	50	98	75
Holstein Bulls	50	100	75	2	48	25

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 15/10/12	Next Week 22/10/12
NI Factories	335p	340p
ROI Factories	335p	335p

Notes: (i)Lambs up to 21kg
(ii)ROI prices converted at 1 euro=80.66p Stg

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 29/09/12	W/E 06/10/12	W/E 13/10/12
NI Liveweight	296.0p	290.4p	293.4p
NI Deadweight	334.3p	330.1p	320.9p
ROI Deadweight	338.3p	341.5p	
GB Deadweight	378.9p	366.1p	364.8p

Deadweight Sheep Trade

QUOTES from the plants for R3 grading lambs this week have shown a slight increase to 335-340p/kg with similar quotes expected for Monday. Plants are continuing to pay to 21kg. Slaughterings in NI last week showed an increase by 200 head on the previous week to 10,400 head. The NI deadweight price came back last week to 320.9p/kg and was at the lowest level since June 2010. Meanwhile in GB last week the deadweight price came back slightly to 364.8p/kg which means the NI/GB differential was 43.9p/kg. Exports of lambs to ROI for direct slaughter last week came back to 11,396 head after the previous week's record high of 14,388 head. Some processors in ROI are now paying up to 22kg.

This week's marts

TRADE in the majority of marts this week has shown a slight improvement on last week. In Kilrea on Monday 600 lambs sold to an average of 292p/kg compared to 520 lambs last week selling to an average of 287p/kg. In Armoy on Tuesday 428 lambs sold in the range of 284-310p/kg (av 296p/kg) compared to 412 lambs last week selling from 280-303p/kg (av 293p/kg). In Ballymena on Wednesday a similar trade to last week saw a large entry of 2820 lambs sold to an average price of 293p/kg with 1525 lambs last week also selling to an average of 293p/kg. The trade for cull ewes remains strong with well fleshed first quality ewes selling in the region of £70-80 per head.

LATEST SHEEP MARTS					
From: 13/09/2012 To: 18/10/2012		Lambs (P/KG LW)			
		No.	From	To	Average
Saturday	Omagh	1608	297	348	-
	Donemana	898	280	338	298
	Hilltown	1300	310	335	312
	Swatragh	793	-	-	313
Monday	Kilrea	600	280	300	292
	Massereene	1261	295	325	-
Tuesday	Saintfield	985	285	315	296
	Armoy	428	284	310	296
	Rathfriland	1232	287	320	296
Wednesday	Ballymena	2820	277	307	293
	Enniskillen	652	294	320	-
	Markethill	750	290	304	294
	Newtownstewart	414	270	325	285

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