LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday December 22, 2012 Issue No. 2248

NI LAMB MARKET UPDATE 2012

Merry Christmas

CHRISTMAS HOLIDAYS

Best Wishes
LMC would like to wish all of our levy-payers and stakeholders a very Happy Christmas and prosperous New Year

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Holiday Arrangements
LMC's offices will be closed for the Christmas and New Year Period (25 December - 1 January). We will reopen on Wednesday 2 January

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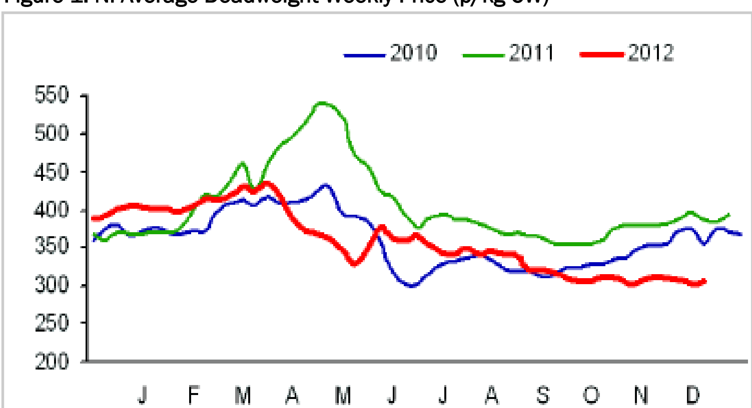
Next Bulletin
Saturday 5 January 2012 in Farming Life

Answerphone & Text Service
There will be no answerphone or text message service during Christmas Week

THE deadweight lamb price in NI last week was 325.6p/kg, a 88p/kg reduction on the same week last year when the price was 413.7p/kg. Lamb prices in 2011 however were at record levels due to a scarcity of lambs so it may be beneficial to also consider 2010 prices for comparison purposes as outlined in Figure 1. In the corresponding week in 2010 the deadweight lamb price was 370.4p/kg, 45p/kg above the current lamb price. As indicated in the chart for the period June to September 2012 NI deadweight lamb prices were below the corresponding 2011 price levels but above 2010 prices. However the NI deadweight lamb price dipped below 2010 prices in September and has been consistently below 2010 levels since then. The deadweight lamb price in 2010 and 2011 followed the traditional pattern with a fairly steady deadweight lamb price over the summer months followed by a gradual rise in price from September onwards. However this has failed to materialise in 2012 to date as indicated in Figure 1 with the plants reporting strong supplies of lambs and a stickiness in the marketing of lamb. Lamb prices have also come under pressure in GB in recent weeks with an average deadweight price last week of 355.5p/kg. This reduces the differential between NI and GB to 40p/kg from 70p/kg at its widest during the summer months.

Figure 1: NI Average Deadweight Weekly Price (p/kg CW)



LAST week in NI the total lamb kill was 9,880 head, this is well above the corresponding week last year when throughput was 7,273 head (+36 per cent). Lamb throughput in the NI plants for the year to date has been 373,823 head, a 47.6 per cent increase on the 253,239 killed during same period last year as indicated in Figure 2. A major influence on throughput in the NI plants has been the level of exports to ROI for direct slaughter which for the year to date have accounted for 440,049 head. In the same period last year live exports to ROI totalled 473,080 head, a seven per cent reduction year on year. In addition to this 2,813 lambs were exported to GB for direct slaughter during 2012 to avail of higher prices there. The increase in total lamb production in NI in 2012 may have been driven by improved confidence in the sheep sector in Autumn 2011 resulting in a growth in the breeding flock. The winter in 2011/12 was also milder compared to 2010/11 and this will also have helped with regard to the lamb crop The result of this has been increased lamb production and availability in NI in 2012. If we combine total lamb throughput in the NI plants with exports for direct slaughter lamb production in 2012 to date has been 89,788 ahead of the same period last year. The average lamb carcase weight for the year to date has been almost unchanged between the two periods, 21.8kg in 2012 compared to 21.7kg in the same period in 2011.

Figure 2: NI Lamb / Hogget Slaughterings ('000 head per week)

UK LAMB VOLUME SALES INCREASE OCTOBER 2012

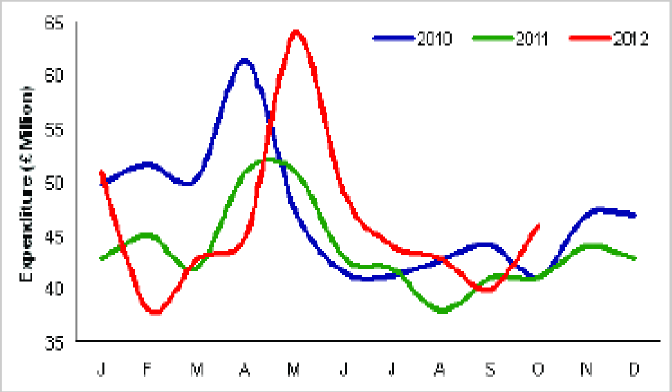
VOLUME sales of lamb have shown a one per cent growth across the UK in the four week period ending 28 October 2012 compared to the same period in 2011. During this period sales of leg roasting joints continued to perform strongly with sales 62.8 per cent ahead of the corresponding four week period in 2011. An increase in promotional activity has played a key role in the strong increase observed in the sales of leg roasting joints. A drop in the average retail price per kg by two per cent to £8.36 has also helped improve volume sales despite a seven per cent drop in market penetration. The latest consumer data figures from Kantar would suggest that although fewer consumers are buying lamb those that have continued buying lamb are buying more. The average weight purchased per head has increased by seven per cent during the four weeks ending 28 October 2012 compared to the corresponding period in 2011.

Despite the strong increases in the sales of leg roasting joint the sales of other cuts of lamb have not performed so well during the four week period ending 28 October 2012. Sales of lamb shoulder roasts were down 34.6 per cent, sales of lamb chop steaks down 13.4 per cent and sales of lamb stewing steak back 3.6 per cent on the same period in 2011. All of these factors combined have resulted in a one per cent reduction in total expenditure between the two periods.

On a more promising note there has been a three per cent increase in expenditure on lamb if we compare the 52 week period ending 28 October 2012 with the corresponding period in 2011 (Figure 3). This increase has come on the back of a two per cent increase in the retail price combined with a one per cent increase in volume sales between the two periods.

Sales of particular cuts of lamb during the 52 week period ending 28 October have shown a similar trend to the month of October. Volume sales of leg roasting joints increased 26.4 per cent year on year while the sales of other cuts have struggled. Sales of shoulder roasting joints were back 10.5 per cent, sales of lamb chop steaks were back 9.9 per cent and lamb stewing steak sales were back six per cent when compared to the corresponding period in 2011.

Figure 3: Expenditure on Lamb 2010-2012 ('000 tonnes)



Source: Kantar

PLANTS HOLIDAY ARRANGEMENTS	
ABP Lurgan	Closed 25, 26 Dec 2012 Closed 01 Jan 2013
ABP Newry	Closed 24,25,26,31 Dec 2012 Closed 01, 02 Jan 2013
Dunbia	Closed 24,25, 26 Dec 2012 Closed 01 Jan 2013
Foyle	Closed 25, 26 Dec 2012 Closed 01 Jan 2013
Linden	Closed 24,25,26 Dec 2012 Closed 01 Jan 2013
Omagh	Closed 25, 26 Dec 2012 Closed 01 Jan 2013
WD Meats	Closed 25, 26 Dec 2012 Closed 01 Jan 2013

*** Please double check with individual plants before moving stock off farm. Information was correct at time of publication.**

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE		
(P/KG DW)	This Week 17/12/12	Next Week 24/12/12
Prime		
U-3	328-332p	328-332p
R-3	322-326p	322-326p
O+3	316-320p	316-320p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	260-275p	260-275p
Steakers	180-245p	180-245p
Blues	160-180p	160-180p

REPORTED NI CATTLE PRICES - P/KG			
W/E 15/12/12	Steers	Heifers	Young Bulls
U-3=	337.0	340.8	329.7
U=3=	336.9	345.6	330.9
U=4=	333.2	338.7	324.7
R=3=	335.7	337.9	325.6
R=4=	335.0	333.8	323.5
O=3=	322.3	324.1	312.5
O+3=	331.9	330.0	317.4
Average	328.2	330.3	319.1

REPORTED COW PRICES NI W/E 15/12/12		
Grades	Price (p/kg)	Avg Wgt
O+3=	277.4	325.3
O-3+	262.7	314.9
P+2+	244.5	292.0
P+3+	245.6	310.9
P-1-	169.5	220.4

COMMODITIES

COMMODITY PRICE		
W/E 21/12/12	Price (£) per tonne / 1000litre	% weekly change
Barley	212.50	-0.93
Wheat	228.00	-0.87
Soya	502.00	+2.03
Straw	16.00	-
Red Diesel	715-750	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle were 328-332p/kg with similar quotes expected for next week. Quotes for cows continued at 260-275p/kg. The plants are operating a reduced kill next week as outlined in the table on the opposite page so producers should check with their individual plant before moving cattle off farm.

Prime cattle throughput last week totalled 7,154 head, a reduction of 250 head on the previous week but 850 head more than the corresponding week in 2011. The cow kill in NI last week increased by 200 head to 2,549 head. This is 11 per cent ahead of the 2,302 head killed in the corresponding week last year.

Finished cattle prices in NI last week were fairly consistent with the previous week. The average steer price was almost unchanged at 328.2p/kg while the heifer price was up a penny to 330.3p/kg. Meanwhile the young bull price in NI was back slightly to 319.1p/kg while the cow price increased by 3.2p/kg to 239.9p/kg.

Average steer prices in GB last week were up 1p/kg to 363.6p/kg with the heifer price almost unchanged at 360.8p/kg. There was however some variation across the regions with steer prices in Northern England and the Midlands up in the region of 1p/kg while prices in Scotland were up 2.7p/kg. Meanwhile the steer price in Southern England was back 3.4p/kg to 348.9p/kg. Average heifer prices across all the regions were within 1p/kg of the previous weeks prices with the exception of Southern England where average prices were back 2.8p/kg to 347.6p/kg.

Prices in ROI last week were similar to the previous week with the majority of reported prices almost unchanged. The R3 steer price in ROI last week was the equivalent of 312.6p/kg while the R3 heifer price was 327.2p/kg.

This week's marts

TRADE in the marts this week has remained in line with previous weeks. Finished first quality steers sold to an average of 194p/kg, the exact same as last week. First quality finished heifers sold from 180-206p/kg this week (av 190p/kg) compared to 186-210p/kg (av 190p/kg) last week. The trade for beef cows was back slightly with first quality cows selling to 170p/kg compared to 175p/kg last week (-5p/kg) while second quality cows were back 4p/kg to 141p/kg.

The trade for store cattle has also remained strong with prices for first quality 400kg store bullocks in the range of 180-204p/kg (av 192p/kg) with second quality animals in the same weight range selling to an average of 170p/kg. Meanwhile the trade for heifers up to 450kg was similar to last week with first quality lots selling to an average of 185p/kg and second quality animals to an average of 162p/kg.

LAST WEEK'S DEADWEIGHT CATTLE PRICES (UK / ROI)									
W/E 15/12/2012		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	337.7	321.0	377.4	376.3	374.3	368.9	375.0
	R3	335.9	312.6	372.9	368.8	361.9	358.9	366.8
	R4	333.3	312.1	376.4	373.4	363.4	359.0	370.5
	O3	324.4	299.3	359.5	358.7	348.6	338.8	353.2
	AVG	328.2	-	372.9	366.1	359.1	348.9	363.6
Heifers	U3	343.4	338.1	372.9	378.9	374.3	370.2	374.2
	R3	337.8	327.2	366.4	364.0	363.3	359.1	363.7
	R4	334.7	327.5	371.1	368.6	363.4	357.3	366.6
	O3	324.8	311.3	354.3	350.5	347.4	342.3	349.2
	AVG	330.3	-	368.0	362.7	358.8	347.6	360.8
Young Bulls	U3	329.9	319.3	362.7	354.0	361.9	364.1	359.4
	R3	325.2	314.6	357.4	346.4	351.6	351.3	350.7
	O3	312.9	302.6	338.4	331.5	334.9	338.6	335.0
	AVG	319.1	-	340.6	336.6	343.2	336.7	339.2
Prime Cattle Price Reported		5446	-	7433	6838	5199	4051	23521
Cows	O3	267.2	261.2	267.1	260.9	266.8	239.9	258.9
	O4	266.2	263.1	271.3	260.0	267.8	245.9	260.0
	P2	225.4	231.3	205.8	213.9	198.5	197.0	204.2
	P3	246.8	252.2	227.3	237.5	225.1	226.1	230.1
	AVG	239.9	-	257.8	238.1	246.6	207.7	235.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=80.82p 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						
	1st QUALITY			2nd QUALITY		
W/E 15/12/12	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	188	209	194	165	187	176
Friesians	145	169	155	100	144	130
Heifers	180	206	190	160	179	170
Beef Cows	159	185	170	125	158	141
Dairy Cows	109	130	120	80	108	94
Store Cattle (p/kg)						
Bullocks up to 400kg	180	204	192	160	179	170
Bullocks 400kg - 500kg	176	200	188	155	175	165
Bullocks over 500kg	180	197	190	155	179	167
Heifers up to 450kg	175	195	185	150	174	162
Heifers over 450kg	170	180	175	150	169	160
Dropped Calves (£/head)						
Continental Bulls	225	470	270	140	220	180
Continental Heifers	190	450	250	100	188	145
Friesian Bulls	125	190	150	30	120	75
Holstein Bulls	100	185	145	5	95	45

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 17/12/12	Next Week 24/12/12
NI Factories to 22kg	320- 330p	320p
ROI Factories	330p	330p

Notes: (i)Lambs up to 22kg
(ii)ROI prices converted at 1 euro=80.82p Stg

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 01/12/12	W/E 08/12/12	W/E 15/12/12
NI Liveweight	295.0p	293.2p	293.9p
NI Deadweight	329.8p	316.9p	325.6p
ROI Deadweight	333.3p	331.3p	328.7p
GB Deadweight	353.8p	359.0p	355.5p

Deadweight Sheep Trade

QUOTES from the plants this week were back to 320p/kg with the plants reporting a difficult export market at present. Good supplies of lambs have also been reported with a lamb throughput last week of 9,880 head, an increase of 2,600 head on the 7,273 slaughtered in the corresponding week last year. This is an increase in throughput of 36 per cent when comparing the two weeks. The NI deadweight lamb price last week increased by 8.7p/kg to 325.6p/kg after a drop of 13p/kg the previous week. In GB meanwhile the deadweight lamb price eased back 3.5p/kg to 355.5p/kg. Last week in ROI the deadweight lamb price was back the equivalent of 2.6p/kg to 328.7p/kg.

This week's marts

TRADE in the marts early this week was fairly similar to previous weeks but weakened slightly in some marts as the week progressed. In Massereene on Monday 1,006 lambs sold from 295-318p/kg compared to 1,382 lambs last week selling from 290-315p/kg. In Saintfield on Tuesday 677 lambs sold to an average of 295p/kg compared to 606 lambs last week selling to 298p/kg. The trade in Ballymena on Wednesday was back on last week with lambs selling to an average of 285p/kg, back from the 298p/kg average last week. The good trade for well fleshed cull ewes has continued across the marts with a top price of £104 in Kilrea on Monday

LATEST SHEEP MARTS					
From: 15/12/2012 To: 20/12/2012		Lambs (P/KG LW)			
		No.	From	To	Average
Saturday	Omagh	1082	271	307	-
	Donemana	462	282	313	298
Monday	Kilrea	520	288	306	294
	Massereene	1006	295	318	-
Tuesday	Saintfield	677	287	318	295
	Rathfriland	486	280	322	294
	Armoy	312	282	312	295
Wednesday	Ballymena	1309	270	300	285
	Enniskillen	190	-	-	298
	Markethill	355	290	318	300

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

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