LMC BULLETIN
WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND
Saturday March 24, 2012
Issue No. 2210

# INCREASED GB BEEF EXPENDITURE DURING FEBRUARY

BEEF producers in NI are well aware of the fact that increased farmgate prices over the last year or more are being passed onto consumers in the shape of higher retail prices. In the last year, GB retail beef prices have been five per cent higher than previous year levels. However, these price increases have been more concentrated in the last six months or so. In the last 12 weeks for example, retail beef prices in GB were 12 per cent higher than previous year levels with an average retail beef price of £6.75/kg. In the four weeks ending 19 February 2012, prices in GB averaged £6.80/kg.

There are concerns about these higher prices on demand. Firstly, it ought to be noted that with tighter supplies, it is impossible for consumers to eat more beef because unless there are reduced exports / increased imports it will simply not be there on the shelves for people to buy it.

Retail beef sales volumes were back by just three per cent in the four weeks ending 19 February 2012 compared to the same period last year. This was despite a proportionately greater 10 per cent increase in price.

During February there was a sharp increase in beef stewing sales with volumes up by 13 per cent year on year. Mince sales were also up marginally with a three per cent increase in volumes. Sales of more expensive products such as frying / grilling and roasting joints remained under pressure.

Perhaps the greatest concern is that higher prices may be putting people off beef altogether. It is encouraging therefore that the impact of higher prices on penetration over the last year has been a decline of just one per cent. Over the last year (52 weeks ending 19 February), the average four weekly penetration of beef in the retail market in GB was 54.4 per cent. This was just down slightly from the corresponding figure of 55.2 per cent in the corresponding 52 week period last year. In February, penetration was down by one per cent with 57 per cent of respondents buying beef although over the longer 12 week period ending 19 February penetration was down by three per cent.

There has been an impact of the higher prices on the volume of beef bought by consumers each time they go to the butchers counter or the meat aisle. The average weight per purchase was down by five per cent over the 12 weeks ended 19 February compared to the same period last year. In the four weeks ending 19 February the average weight was down by two per cent year on year.

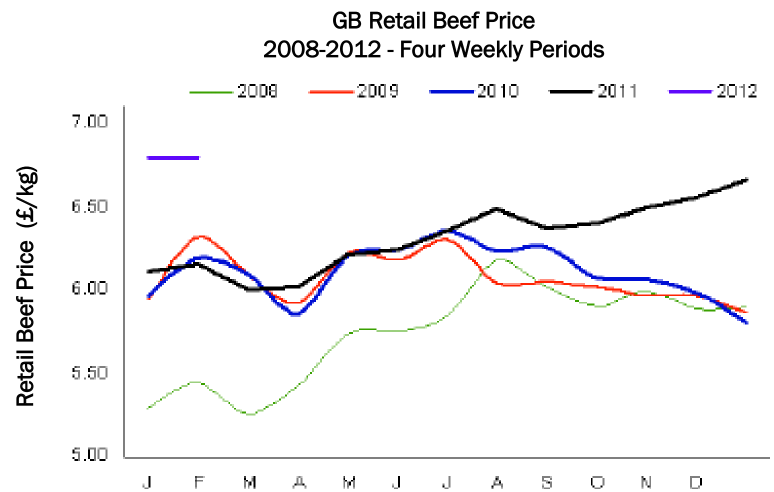
On the positive side, overall expenditure on beef has increased sharply as a net impact of reduced volumes sales and higher prices.

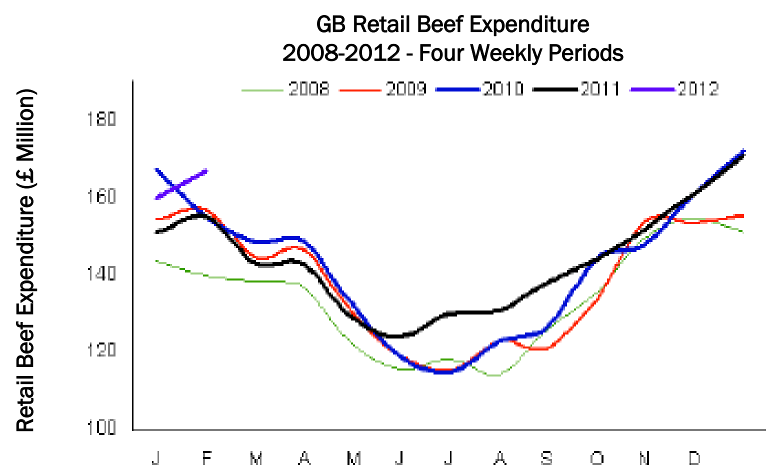
Total beef expenditure in the four weeks ending 19 February 2012 was seven per cent higher than in the same period in 2011. In the longer 12 week period ending 19 February retail expenditure on beef increased by just four per cent relative to the same period last year.

**GB lamb sales remain under pressure**

In GB, retail lamb prices were up by 12 per cent over the four weeks ended 19 February, relative to the same period last year. In fact over the year to date prices were up by 16 per cent year on year.

As a result of the higher prices, volume sales were down by 16 per cent year on year with retail prices averaging £9.08/kg during the four weeks ending 19 February. It is a concern that penetration was down by 9 per cent during that period with the average weight per purchase down by seven per cent. As a result of these changes expenditure was down by six per cent compared to the same period last year.



# FQAS CORNER: DEROGATION TO CODE OF GOOD AGRICULTURAL PRACTICE

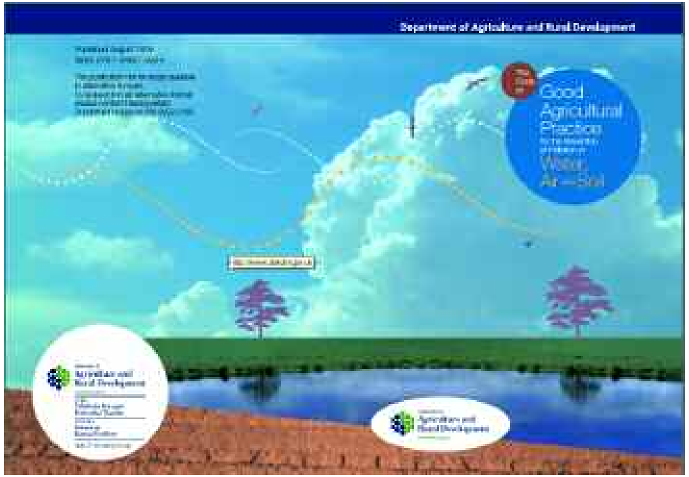
As all members of FQAS are aware it is a requirement, that all producers must adopt a positive attitude towards the countryside by complying with current environmental legislation and codes of practice. The code of Good Agriculture Practice (CoGAP) for the prevention of pollution of water, air and soil must be followed. Within the April 2010 FQAS Standard it states that “all relevant farm staff must have access to a copy of the code”.

This code published by Department of Agriculture and Rural Development (DARD) is currently out of print and is in the process of being reviewed and updated.

All members of FQAS should be aware that with effect from week commencing 19th March 2012, a derogation has been put in place for all members of the scheme who are or have been unable to obtain a copy of the CoGAP. Therefore during farm inspections, if a copy of the CoGAP is not available, this will not be raised as a non-conformance until the updated version becomes available.

To help FQAS members continue to adopt a positive attitude to the countryside and to aid compliance with current environmental legislation the August 2008 version of CoGAP is available on the DARD website. The CoGAP 2008 edition can still be accessed for information on good management practices to help avoid pollution of water, air and soil.

As soon as the updated version becomes available from DARD or the local Divisional Veterinary Offices, all members of FQAS will be expected to have access to a copy of the revised code. Failure to do this will result in a non-conformance being raised during inspection.






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

## CATTLE TRADE

| CATTLE QUOTES | | |
|---|---|---|
| (P/KG DW) | This Week 19/03/12 | Next Week 26/03/12 |
| U-3 | 326 - 330p | 326 - 330p |
| R-3 | 320 - 324p | 320 - 324p |
| O+3 | 318 - 322p | 314 - 328p |
| Cows | 270 - 286p | 270 - 280p |

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

| LAST WEEK'S NI CATTLE PRICES - P/KG | | | | |
|---|---|---|---|---|
| W/E 17/03/12 | Steers | Heifers | Young Bulls | Cows |
| U-3= | 333.2 | 339.0 | 328.4 | 305.9 |
| U=3= | 335.4 | 343.6 | 328.5 | 306.0 |
| U=4= | 328.6 | 340.2 | 324.0 | |
| R=3= | 331.8 | 335.4 | 323.6 | 304.0 |
| R=4= | 326.0 | 330.5 | | 297.0 |
| O=3= | 317.8 | 317.5 | 308.9 | 274.0 |
| O+3= | 332.2 | 327.7 | 317.3 | 287.5 |
| O+4= | 323.8 | 323.2 | 311.0 | 294.8 |
| P+2= | 298.2 | | 292.0 | 243.2 |
| P+3= | 302.1 | 293.2 | 302.6 | 268.3 |
| Average | 325.5 | 327.2 | 315.0 | 259.9 |

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 17/03/12 | | Scotland | Northern England | Midlands & Wales | Southern England | Northern Ireland | Rep of Ireland |
| Steers | U3 | 356.1 | 351.5 | 353.3 | 354.1 | 334.2 | 332.8 |
| | R3 | 350.6 | 342.6 | 342.2 | 340.1 | 333.2 | 325.8 |
| | R4 | 352.5 | 349.5 | 342.1 | 340.2 | 329.5 | 325.1 |
| | O3 | 337.4 | 323.5 | 323.6 | 319.5 | 320.2 | 311.4 |
| | Average | 350.8 | 340.7 | 338.7 | 323.5 | 325.5 | - |
| Heifers | U3 | 355.7 | 353.0 | 353.5 | 345.6 | 339.7 | 346.8 |
| | R3 | 349.3 | 342.2 | 341.9 | 337.6 | 335.1 | 335.0 |
| | R4 | 350.2 | 344.9 | 341.8 | 335.3 | 331.1 | 334.6 |
| | O3 | 333.6 | 326.7 | 327.0 | 321.2 | 322.8 | 321.4 |
| | Average | 349.1 | 339.8 | 339.8 | 327.6 | 327.2 | - |
| Young Bulls | U3 | 337.6 | 341.2 | 343.4 | 339.9 | 328.8 | 330.2 |
| | R3 | 337.4 | 331.2 | 334.4 | 338.2 | 324.2 | 324.0 |
| | O3 | 313.9 | 312.9 | 320.1 | 308.0 | 309.1 | 314.0 |
| | Average | 323.4 | 323.1 | 323.1 | 321.1 | 315.0 | - |
| Prime Cattle Price Reported | | 7,003 | 5,883 | 5,512 | 4,173 | 4,365 | - |
| Cows | O3 | 286.5 | 282.5 | 279.3 | 257.8 | 279.6 | 284.0 |
| | O4 | 291.3 | 282.7 | 280.0 | 266.6 | 284.4 | 287.0 |
| | P2 | 215.5 | 235.5 | 223.5 | 221.2 | 240.5 | 251.4 |
| | P3 | 242.7 | 261.5 | 238.0 | 240.5 | 265.4 | 280.2 |

Notes:
(i)Prices are p/kg Sterling-ROI prices converted at 1 euro=83.39p Stg.
(ii) Shading indicates a lower price than the previous week.

## Deadweight Cattle Trade

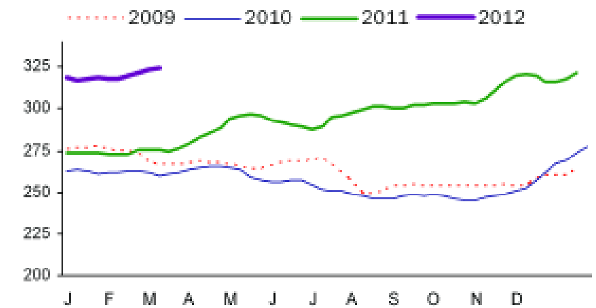
THE trade is expected to remain firm this week with factories indicating that they will be quoting 326-330p/kg on Monday. These quotes are similar to this week. However, while this week most factories were quoting 328p/kg for heifers, a greater number of plants are now quoting 330p/kg, for heifers.

Last week there was some upward pressure on price with higher quotes from the factories as the week progressed. This has come through in the reported prices for the week which show that average heifer prices were up by 1.6p/kg on the week with average steer prices up by 1.3p/kg. The change in U3 prices last week was less pronounced (+0.4p for heifers and +0.4p/kg for steers) and this may be some evidence of quotes catching up with prices as there had been quite a gap in recent weeks. Nevertheless, it is worth pointing out that the average U3 heifer price last week was 340p/kg.

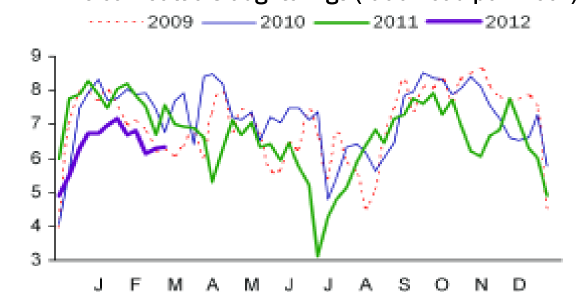
Numbers remain tight with the adjacent chart illustrating the difference between last year's kill and this year's kill. As a result some factories have been operating shorter working weeks.

Elsewhere the steer trade remained firm last week, although heifer prices did come under some pressure. In Scotland, the midlands/Wales and Southern England U3 heifer prices were under pressure. Meanwhile steer prices increased across the GB regions. The ROI trade appeared to be generally steady last week with R3 steer prices up by almost 2c/kg and R3 heifer prices back by 0.5c/kg.

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 | 200 | 215 | 1st quality | 205 | 228 | | | |
| 2nd quality | 180 | 199 | 2nd quality | 180 | 204 | 1st quality | 275 | 368 |
| Friesians | 90 | 169 | | | | 2nd quality | 200 | 270 |
| | | | Store bullocks 400kg-500kg | | | | | |
| Heifers | | | 1st quality | 200 | 231 | Continental heifer calves | | |
| 1st quality | 190 | 213 | 2nd quality | 175 | 198 | | | |
| 2nd quality | 170 | 189 | | | | 1st quality | 200 | 340 |
| | | | Store bullocks over 500kg | | | 2nd quality | 120 | 198 |
| Beef Cows | | | 1st quality | 195 | 222 | | | |
| | | | 2nd quality | 175 | 194 | Friesian bull calves | | |
| 1st quality | 160 | 187 | | | | | | |
| 2nd quality | 136 | 159 | Store heifers up to 450kg | | | 1st quality | 200 | 282 |
| | | | 1st quality | 200 | 231 | 2nd quality | 140 | 198 |
| Dairy Cows | | | 2nd quality | 180 | 199 | | | |
| | | | | | | Holstein Bull Calves | | |
| 1st quality | 125 | 145 | Store heifers over 450kg | | | | 20 | 200 |
| 2nd quality | 100 | 124 | 1st quality | 205 | 248 | | | |
| | | | 2nd quality | 185 | 204 | | | |

Taken from a sample of beef marts in the week ended 16/03/12

## Deadweight Sheep Trade

## SHEEP TRADE

(ii) Shading indicates a lower price than the previous week.

# SHEEP TRADE

## Deadweight Sheep Trade

IN the last week or so factories have begun to kill spring lambs. One plant is quoting 540p/kg for springs with another perhaps not as keen for them, quoting 500p/kg. The hogget trade remained firm this week with quotes of 450p/kg and on Monday a similar trade is expected. This time last year quotes of 470-480p/kg were on offer for hoggets. The kill is under seasonal pressure with numbers down by 12 per cent last week to about 4,000 head.

**SHEEP QUOTES**

| (P/KG DW) | This Week 19/03/12 | Next Week 26/03/12 |
|---|---|---|
| Hoggets | 440 - 445p* | 450p* |
| Spring Lambs | 540p | 500 - 540p |

*All plants paying up to 22kgs for FQAS hoggets.*

**REPORTED LAMB/HOGGET PRICES - P/KG**

| (P/KG) | W/E 03/03/12 | W/E 10/03/12 | W/E 17/03/12 |
|---|---|---|---|
| NI Liveweight | 395.2p | 402.1p | 401.1p |
| NI Deadweight | 425.2p | 434.2p | 432.6p |
| GB Deadweight | 440.1p | 440.7p | 444.1p |

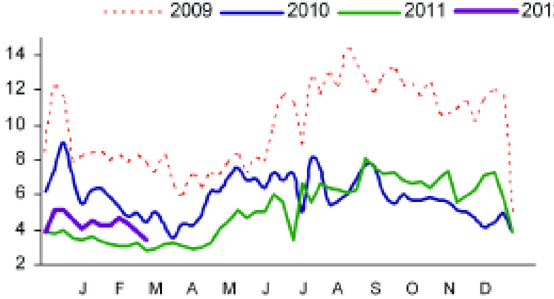
**LATEST SHEEP MARTS**

| From: 16/03/2012 To: 22/03/2012 | | Hoggets (P/KG LW) | | | |
|---|---|---|---|---|---|
| | | No. | From | To | Average |
| Saturday | Omagh | 215 | 321 | 413 | N/A |
| Monday | Kilrea | 660 | Upto 410 | | 400 |
| | Masserene | 1126 | 385 | 429 | N/A |
| Tuesday | Saintfield | 311 | 390 | 453 | 405 |
| | Rathfriland | 407 | 383 | 434 | 405 |
| Wednesday | Ballymena | 1234 | 375 | 426 | 391 |
| | Enniskillen | 628 | 382 | 430 | 395 |
| | Markethill | 1200 | 380 | 440 | 405 |
| | Newtownstewart | 125 | 385 | 428 | 400 |
| Thursday | Downpatrick | 220 | 385 | 440 | 410 |

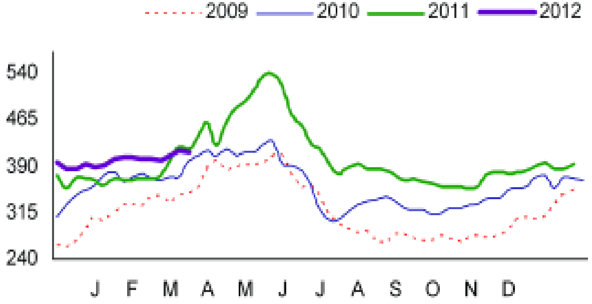
## This week's marts

THIS week the sheep trade remained firm in the marts with average liveweight prices generally ranging from 395-405p/kg. In Ballymena on Wednesday the sale attracted over 1,230 head with an average price of 391p/kg. This was similar to last week's sale. In Markethill 1,200 hoggets sold to an average of 405p/kg. Again this was similar to last week. In both Ballymena and Markethill there were more hoggets through the ring this week. The cull ewe trade remains firm with top prices of £100-120 reported in the marts on Wednesday.

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




**NI Average Weekly Sheep Price (p/kg CW)**

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