

NI THIRD IN EU HEIFER PRICE LEAGUE TABLE

With an average R3 heifer price of 436.7c/kg in the week ending 15 September 2013, Northern Ireland R3 heifer prices were third in a league table of EU heifer prices. The league table ranks 17 EU countries in terms of the farm gate price paid for R3 grade heifers and provides a useful comparison of the trade to be drawn across Europe.

NI prices increased by 10.4c/kg on the week ending 18 August 2013 when the price was 426.4c/kg as outlined in Table 1. The higher price was driven by a combination of stronger domestic farmgate prices and the stronger value of sterling versus the euro. With an average R3 heifer price of 469c/kg in the week ending 15 September 2013 GB was top of the EU Deadweight Heifer Prices League Table.

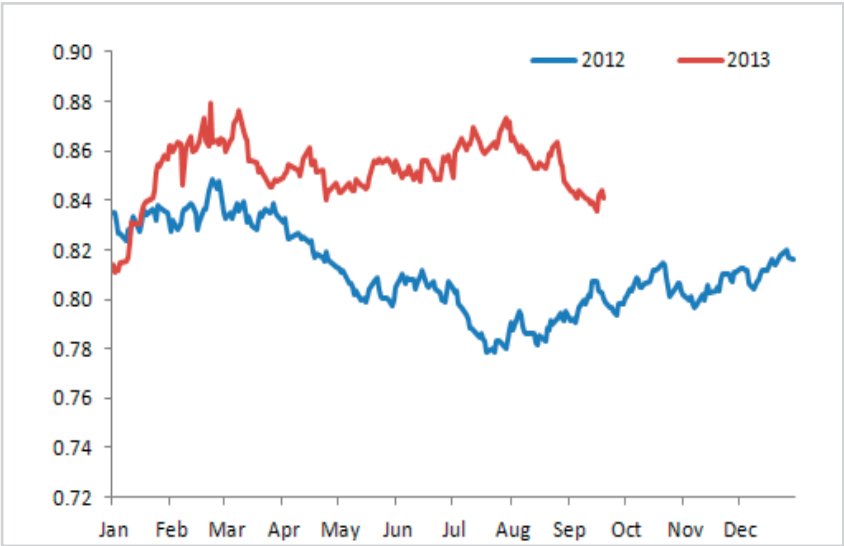
The R3 heifer price in GB increased by the equivalent of 23.1c/kg (+13p/kg) between the week ending 18 August 2013 and 15 September 2013, moving it up from second position on the table to first. This was the strongest increase recorded for for the 17 countries tabulated and markedly above the EU average increase of 1.9c/kg as outlined in Table 1. The R3 heifer price in GB was the equivalent of 57.6c/kg higher than the EU average in the week ending 15 September 2013.

SINGLE FARM PAYMENT EXCHANGE RATE SET NEXT MONDAY

THE Single Farm Payment is the main agricultural subsidy scheme in the EU and came into force on 1st January 2005. It replaced most of the direct subsidy payments previously made to farmers. The Single Farm Payment provides a valuable contribution to the NI farming industry.

When calculating Single Farm Payments in currencies other than the Euro the member state in question will calculate the value of the direct payment on the basis of the most recent exchange rate set by the European Central Bank prior to the October 1. For 2013 this date is Monday 30th September.

The value of the euro against sterling has come back slightly in recent weeks but has generally remained in the region of €1= 84-85p, well above the corresponding levels recorded during late September 2012. Last year payments of the Single Farm Payment were made using the exchange rate of €1 = £0.79805 so producers can expect to receive an increase in the relative value of their single farm payment this year in comparison with last year.



An improvement in the deadweight trade has played a strong part in the increase in the R3 heifer price in GB with reports of a strong demand for cattle from plants in GB in response to the seasonal upturn in demand for beef. The increase in the R3 heifer price in GB in euro terms has also been driven by a weakening in the value of euro against sterling. In the week ending 18 August 2013 the exchange rate was €1=85.58 and came back to €1=84.15 in the week ending 15 September 2013.

Meanwhile in ROI the R3 heifer price came back by 9.7c/kg between the two weeks tabulated to 406.3c/kg, moving it down two places in the league table from fifth position to seventh position. This drop in the ROI deadweight prices has meant that in the week ending 15 September 2013 the R3 heifer price was 5.1c/kg below the EU average price of 411.4c/kg.

Declines in R3 heifer prices were also recorded in France where prices came back by 8c/kg to 447c/kg in the week ending 15 September 2013. This decline moved it down one position on the table into second place although the average price paid was 35.6c/kg above the EU average.

EU Deadweight Cattle Prices - Heifers R3 Equivalent (€ Cents)					
Position last Mth	Position this Mth	Country	Price last Mth (w/e 18.08.13)	Price this Mth (w/e 15.09.13)	Change on Mth (cents)
2	1	Great Britain	445.9	469.0	+23.1
1	2	France	455.0	447.0	-8.0
4	3	Northern Ireland	426.4	436.7	+10.4
3	4	Greece	429.1	431.8	+2.8
6	5	Italy	412.5	428.8	+16.3
7	6	Luxembourg	405.6	406.4	+0.8
5	7	Ireland	416.0	406.3	-9.7
9	8	Spain	396.1	405.5	+9.4
8	9	Sweden	405.5	390.1	-15.4
10	10	Germany	379.4	381.4	+1.9
11	11	Denmark	372.9	372.1	-0.8
13	12	Austria	349.0	359.5	+10.5
12	13	Belgium	358.0	357.0	-1.0
14	14	Slovenia	326.2	312.6	-13.6
15	15	Poland	298.1	294.5	-3.6
16	16	Czech Republic	293.5	292.4	-1.0
17	17	Lithuania	259.8	242.5	-17.4
EU Average			409.5	411.4	+1.9
Euro (€1=)			85.58	84.15	-
<i>Official prices reported to the EC Dressing Specification</i>					

FAO PRICE INDEX DECREASES FOR FOURTH MONTH IN A ROW

THE FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities. The index includes the five major commodity groups- meat, dairy, cereals, oils and fats and sugar.

The FAO Food price Index averaged 201.8 points in August 2013, 5.1 per cent behind August 2012 (-11 points). This was the fourth month in a row where the FAO Food Price Index recorded a decline, driven primarily by the continued falls in the value of cereals and oils.

An increase was recorded in the FAO Meat Price Index which averaged 175 points in August 2013. This is an increase of 2.2 points from July and has been driven primarily by a 4.5 per cent increase in pork prices with prices for other meats remaining fairly steady from month to month. Meat prices as a whole have remained strong on a historical basis and prices in August 2013 were 2.6 per cent higher than those recorded in August 2012.

The FAO Cereal Price Index averaged 210.9 points in August 2013, down 19 per cent from August 2013 when the average price index was 260.3 points. This notable drop is due to the expectation of a strong increase in world cereal production this year. Much of the drop in the cereal index has been due to a drop in world maize prices, back 14 per cent while wheat and rice prices were back 2 and 3 per cent respectively.

The latest forecast for world cereal harvest has estimated a 7.7 per cent increase in production to 179 million tonnes. At the close of seasons 2014 world cereal stocks are forecast to be 13 per cent higher than their low opening levels and at their highest level since 2002/03. The improvement in the harvest this year will undoubtedly

be welcomed by NI beef and sheep producers as it may lead to a reduction in concentrate costs.

The FAO Dairy price Index averaged 239.1 points in August 2012, 1.2 per cent higher than July 2013 and 37 per cent above August 2012 when the price index was 175.6 points. With milk production showing a seasonal decline in the Northern Hemisphere and the new production season just getting started in the Southern Hemisphere availabilities for the rest of 2013 are uncertain. For this reason prices have remained strong as importers have sought to cover commitments for the months ahead.

FQAS NOTICE ONLINE PAYMENTS

LMC has recently launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

www.lmcni.com



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

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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE		
(P/KG DW)	This Week 23/09/13	Next Week 30/09/13
Prime		
U-3	364-366p	364-368p
R-3	358-360p	358-362p
O+3	352-354p	352-356p
* Plus 8-14p/kg in spec bonus where applicable		
Cows		
O+3 & better	275-290p	275-290p
Steakers	250-270p	250-270p
Blues	180-185p	160-185p

REPORTED NI CATTLE PRICES - P/KG			
W/E 21/09/13	Steers	Heifers	Young Bulls
U-3=	373.9	378.9	361.4
U=3=	377.1	365.5	356.2
U=4=	367.7	372.0	-
R=3=	371.7	377.2	352.6
R=4=	372.0	371.9	354.0
O+3=	372.6	365.4	344.2
O=3=	357.6	360.7	330.0
Average	362.4	365.7	342.6

REPORTED COW PRICES NI W/E 21/09/13		
Grades	Price (p/kg)	Avg Wgt
O+3=	292.9	326.9
O-3+	275.2	311.2
P+2+	260.1	287.0
P+3+	273.0	317.3
P-1-	174.0	219.7

COMMODITY PRICE		
W/E 21/09/13	Price (£) per tonne / 1000litre	% weekly change
Barley	160	-
Wheat	168.50	-

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 23/09/13	Next Week 30/09/13
NI Factories	360-365p >21.5kg	360-365p >21.5kg

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 07/09/13	W/E 14/09/13	W/E 21/09/13
NI Liveweight	330.5p	324.2p	317.1p
NI Deadweight	372.1p	360.9p	357.2p
ROI Deadweight	362.6p	353.6p	-
GB Deadweight	400.2p	394.0p	388.1p

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle remained similar to late last week and on Monday base quotes for steers and heifers are expected to range from 364-366p/kg, with one plant quoting 368p/kg for good quality heifers. The amended bonus system for in-spec steers and heifers is in operation across several plants with 10p/kg available for cattle that fulfil the basic bonus specification with an additional 4p/kg available for cattle that have had four or less residencies in their lifetime. One plant is currently paying a 12p/kg bonus without any reference to the number of residencies. Some others have not yet declared any change to their bonus system although it is likely that in-spec cattle are being rewarded as required to secure supplies.

Supplies of prime cattle have shown an improvement with 6,734 prime cattle slaughtered last week compared to 5,739 the previous week. Supplies have however remained lower than last year with a total of 8,754 cattle slaughtered in NI plants last week compared to 9,872 in the corresponding week last year. Imports of cattle from ROI for direct slaughter last week were broadly similar to the previous week with 1,437 head imported. Meanwhile exports of prime cattle to GB for direct slaughter last week totalled 417 head, the highest level recorded since April 2013.

Average steer prices increased by 4p/kg in NI last week to 362.4p/kg while R3 steer prices increased by 7.2p/kg to 373.6p/kg. Average heifer prices increased by 4.3p/kg to 365.7p/kg with the R3 heifer price up 5.7p/kg to 375.4p/kg. Young bull prices also improved in NI last week with average prices up 5.4p/kg to 342.6p/kg.

Increases in average prices were also recorded in GB for steers, heifers and young bulls. Average steer prices in GB increased by 3.9p/kg to 398.4p/kg with increases recorded in all GB regions.

In ROI last week prices continued to come under pressure as cattle availability has increased and a weakening in the value of euro against sterling has resulted in prices showing a marked decline in sterling terms. The R3 steer price in ROI last week was the equivalent of 326.6p/kg, down 8.3p/kg on the previous week while the R3 heifer price was back by 7.2p/kg to 336.7p/kg.

This week's marts

Finished first quality steers sold to an average of 226p/kg liveweight this week with second quality selling to an average of 200p/kg. Finished heifers sold to a top price of 230p/kg with first quality selling to an average of 220p/kg and second quality selling to an average of 196p/kg. A strong trade for heavy store cattle saw first quality bullocks over 500kg sell to an average of 219p/kg with second quality selling to an average of 185p/kg. Heifers over 450kg sold to a top price of 258p/kg with first quality selling to an average of 223p/kg.

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grade lambs remained steady at 360p/kg with plants now paying up to 21.5kg. There are reports of some lambs being bought at 365p/kg > 21.5kg. The plants are reporting steady supplies of lambs with 10,612 head slaughtered in NI plants last week, compared to over 12,500 the previous week. A further 7,821 lambs were exported to ROI for direct slaughter compared to 8,060 lambs the previous week. The reduction in the level of exports in recent weeks has been driven by a drop in the value of Euro against Sterling but may also indicate a strong demand for lambs from NI processors and a slight drop in availability. The deadweight price in GB last week was back 5.9p/kg to 388.1p/kg while the NI deadweight price was back 3.7p/kg to 357.2p/kg.

This week's marts

A steady trade has been reported across the marts this week with 250 lambs in Newtownstewart last Saturday selling to an average of 320p/kg compared to 225 lambs last week selling to 316p/kg. In Kilrea on Monday 480 lambs sold from 310-320p/kg (av 316p/kg) compared to 380 lambs last week selling from 318-333p/kg (av 322p/kg). In Rathfriland on Tuesday a quieter trade saw 1,343 lambs selling to an average of 322p/kg compared to 1,210 lambs selling to an average of 335p/kg last week. The trade for cull ewes has also remained fairly steady with top prices generally between £60-70.

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

W/E	21/09/13	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	373.1	336.6	417.6	404.0	402.3	403.5	407.3
	R3	373.6	326.6	414.5	399.2	397.4	395.0	402.2
	R4	371.7	325.5	417.8	404.8	395.3	393.1	404.1
	O3	362.3	309.1	394.5	393.1	377.6	375.7	386.4
Heifers	AVG	362.4	-	413.5	399.7	391.6	384.2	398.4
	U3	379.2	348.4	418.4	402.1	404.4	402.9	408.0
	R3	375.4	336.7	411.6	392.7	391.3	389.3	397.3
	R4	369.9	335.6	416.8	400.8	391.7	387.5	400.8
Young Bulls	O3	364.7	320.3	390.0	384.9	367.5	371.0	379.7
	AVG	365.7	-	411.8	395.6	389.4	380.7	396.0
	U3	359.4	332.6	411.7	385.0	394.8	397.8	395.1
	R3	354.4	322.6	400.0	373.8	380.8	382.5	380.9
Prime Cattle Price Reported	O3	335.5	299.1	365.8	352.8	361.9	362.8	359.2
	AVG	342.6	-	385.3	364.3	376.6	374.9	373.6
		4560	-	6460	5859	5562	3865	21746
Cows	O3	282.6	263.0	279.9	278.3	274.1	265.1	274.9
	O4	286.0	264.5	286.0	279.5	279.5	266.1	276.9
	P2	235.7	231.9	217.1	232.8	219.4	213.5	220.6
	P3	261.7	252.8	248.1	258.8	235.6	235.6	247.4
Cows	AVG	257.9	-	275.0	251.0	259.8	226.9	251.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.99p 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 21/09/13		From	To	Average	From	To
Finished Cattle (p/kg)						
Steers		216	241	226	190	215
Friesians		158	178	170	136	157
Heifers		214	230	220	180	213
Beef Cows		140	210	170	110	139
Dairy Cows		106	145	117	60	105
Store Cattle (p/kg)						
Bullocks up to 400kg		209	287	229	140	208
Bullocks 400kg - 500kg		220	264	230	155	219
Bullocks over 500kg		210	244	219	160	209
Heifers up to 450kg		208	235	213	150	207
Heifers over 450kg		210	258	223	165	209
Dropped Calves (£/head)						
Continental Bulls		230	340	285	150	228
Continental Heifers		220	360	275	120	218
Friesian Bulls		100	175	135	30	98
Holstein Bulls		50	130	85	1	48

LATEST SHEEP MARTS					
From: 21/09/13 To: 26/09/13		Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Omagh	1147	321	396	-
	Donemana	1370	290	354	324
	Hilltown	1150	-	-	330
	Newtownstewart	250	300	331	320
Monday	Massereene	1076	310	339	-
	Kilrea	480	310	320	316
Tuesday	Saintfield	912	334	367	-
	Rathfriland	1343	296	374	322
Wednesday	Ballymena	1532	305	346	324
	Enniskillen	482	318	347	-
	Markethill	870	317	340	325

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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