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INCREASE IN LIVE EXPORTS FOR FURTHER PRODUCTION TO GB AND ROI

EXPORTS of male cattle from NI to GB for further production recorded a strong increase during May 2015 with 1,117 head making the journey compared to 842 head during April 2015.

This brings exports of male cattle from NI to GB for further production to 3,743 for the year to date (excluding calves). This is an increase of 477 head from the corresponding period in 2014 when 3,266 head were exported. The number of male cattle being exported has steadily increased as 2015 has progressed with the level of export for further production during May 2015 at the highest level since September 2014.

Reports have indicated that supplies of store cattle have tightened in GB in recent months as a result of lower calf birth rates in 2013 which has resulted in increased demand for good quality NI origin store cattle by GB finishers. As NI origin cattle have UK 9 tag numbers when they are finished and slaughtered in GB they are eligible for Red Tractor Farm Quality Assured status. This makes NI origin store cattle more attractive to finishers in GB than store cattle sourced from ROI.

While exports from NI to GB for further production have increased during 2015 to date the number of prime cattle being exported from NI for direct slaughter in GB plants has decreased from year earlier levels. During 2015 to date a total of 815 prime cattle have crossed the Irish Sea for direct slaughter compared to 3,263 prime cattle in the corresponding period in 2014.

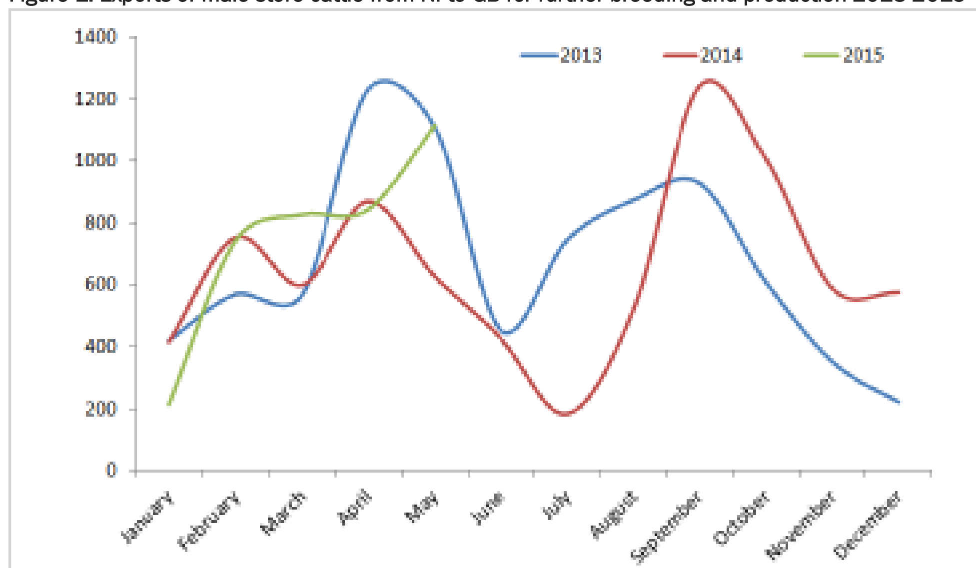
The narrowing in the price differential in deadweight cattle prices between NI and GB has been a key driver behind the reduction in the level of exports for direct slaughter. During May 2013 the price differential in R3 steer prices between NI and the GB average was 18.3p/kg. By May 2014 this differential had narrowed to 9p/kg and in May 2015 the differential was 6p/kg.

Exports to ROI

Exports from NI to ROI for further breeding and production also recorded an increase during May 2015 but remain at much lower levels than the level of export to GB. During May 213 male cattle (excluding calves) were exported from NI to ROI for further production, the highest monthly export since May 2013. This brings exports of male cattle for 2015 to date to 401 head compared to 205 head in the corresponding period in 2014.

Exports of prime cattle to ROI for direct slaughter during 2015 to date have also recorded a notable increase on year earlier levels but remain small in comparison to total kill numbers. In the first five months of 2015 a total of 880 prime cattle were exported from NI to ROI for direct slaughter compared to 288 head in the corresponding period in 2014.

Figure 1: Exports of male store cattle from NI to GB for further breeding and production 2013-2015



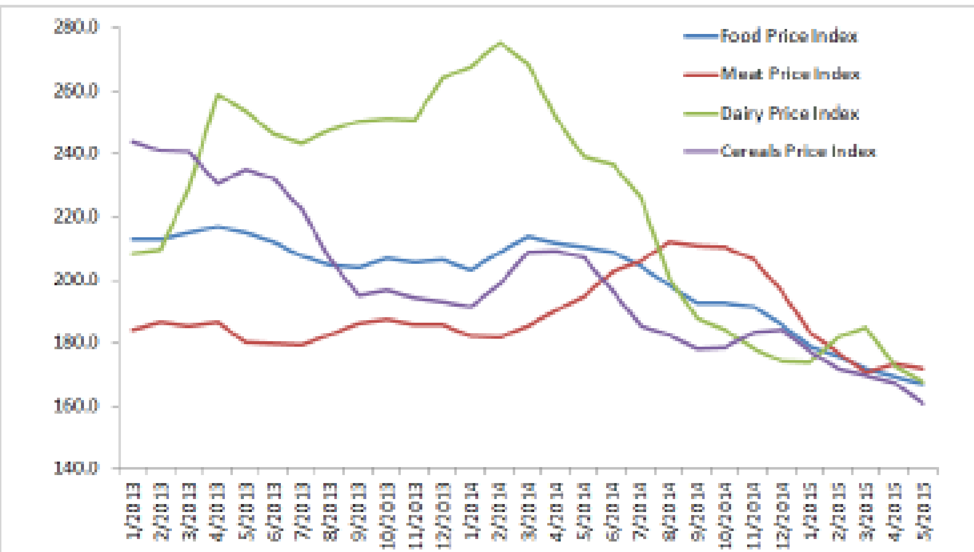
FAO FOOD INDEX DECLINES FURTHER IN MAY

THE FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities and provides a useful guide to global food trade. In May 2015 the FAO Food Price Index averaged 166.8 points. This was 2.4 points lower than April 2015 when the index was 169.2 points and represents a 1.4 per cent decline.

The decline recorded between April and May 2015 has been driven primarily by declines in the cereal and dairy indexes with meat indexes also recording a decline month on month. Meanwhile the vegetable oil and sugar index prices firmed as markets improved. The FAO Food Index in May 2014 was 210.4 points which represents a 43.6 point decline over the course of a year to 166.8 points in May 2015 and brings the FAO Food Index to its lowest level since September 2009.

The FAO Meat Price Index averaged 171.4 points in May 2015, down 1.8 points from April 2015 and represents a one per cent decline. The drop in the FAO Meat Index has been influenced by lower international prices for beef and sheep meat with international prices for pork and poultry remaining fairly steady. The international Meat Price Index in May 2014 was 194.6 points, 23.2 points higher than May 2015 levels and represents a 12 per cent decline year on year.

Figure 2: FAO International Food Price Index from January 2013 to May 2015.



The FAO Cereal Price Index averaged 160.8 points in May 2015. This was 6.4 points lower than April 2015 and represents a 3.8 per cent decline in value. In May 2014 the Cereal Price Index was 207 points which accounts for a 46 point or 22.4 per cent decline year on year. Good levels of cereals in storage combined with good crop outlooks for the year ahead have kept a downward pressure on international cereal prices. The FAO Cereal Index in May 2015 was the lowest since July 2010.

The FAO Vegetable Oil Price Index averaged 154.1 points in May 2015, up 3.9 points or 2.6 per cent from April 2015 levels. Despite the increase the Vegetable Oil Price Index during May 2015 was 41 points below the corresponding month last year. This accounts for a 21 per cent decline year on year.

The FAO Dairy Price Index averaged 167.5 points in May 2015, a decline of five points from April 2015 levels which accounts for a three per cent decline. Prices for milk powders and butter came under the most pressure during May 2015 with cheese prices remaining relatively stable. The continued decline in the FAO Dairy Price Index can be attributed to the large volumes of unsold stocks in New Zealand and the increase in export supplies from Europe as production in the northern-hemisphere reaches its seasonal peak.

The FAO Sugar Price Index increased by 3.7 points from April 2015 levels to 189.3 points in May 2015. The increase in May was the first significant index increase since October 2014 following the large supplies and growing surpluses in 2014/15 which had a negative impact on the sugar market.

FQAS NOTICE ONLINE PAYMENTS

LMC has 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

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WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 08/06/15	Next Week 15/06/15
Prime		
U-3	310-316p	310-316p
R-3	304-310p	304-310p
O+3	298-304p	298-304p
P+3	248-270p	248-270p
	Including bonus where applicable	
Cows		
O+3 & better	230 - 256p	230 - 256p
Steakers	140 - 170p	140 - 170p
Blues	120 - 130p	120 - 130p

Cow quotes vary depending on weight and grade.
Pricing policies vary from plant to plant. Producers are advised to check pricing policies before presenting cattle for slaughter.

REPORTED NI CATTLE PRICES - P/KG

W/E 06/06/15	Steers	Heifers	Young Bulls
U3	326.7	327.6	309.4
R3	319.6	318.2	310.1
O+3	306.7	306.6	299.8

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 06/06/15	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	139.3	147.6	158.4	186.3
P2	146.7	178.6	191.7	214.3
P3	162.3	196.3	216.1	227.8
O3	-	212.5	237.9	248.1
O4	-	224.0	237.6	252.2
R3	-	-	-	265.1

Deadweight Cattle Trade

THE deadweight cattle trade has steadied in NI with base quotes this week of 310-316p/kg across the plants for U-3 grade prime cattle. The majority of plants were quoting 312p/kg for steers and 314p/kg for heifers this week with similar opening quotes expected for early next week. The cow trade has also firmed this week with reports of good demand from the processors. The majority of plants are quoting in the region of 245-256p/kg for good quality O+3 grade cows.

Reports have indicated a tightening in the supply of prime cattle for slaughter with throughput last week totalling 5,747 head. This was the third consecutive week in which prime cattle throughputs have declined in NI. Prime cattle throughput in NI for the six week period ending 6 June 2015 totalled 36,513 compared to 41,453 head in the corresponding period in 2014. This is a 12 per cent reduction year on year. Cow throughput has remained steady with 1,291 cows slaughtered last week.

With reports of tighter prime cattle supplies in ROI in recent weeks imports for direct slaughter in NI plants totalled 188 head last week. This was the lowest weekly import for the year to date and accounted for three per cent of the NI prime cattle kill. A total of 59 cows were also imported from ROI for slaughter in NI plants while 347 cows and 25 prime cattle made the journey from NI for slaughter in plants in ROI. With the narrower price differential the live cattle trade for direct slaughter between NI and GB has remained subdued with 41 prime cattle exported from NI for slaughter in GB plants last week.

The average steer price in NI last week was back in the region of 1p/kg to 311.3p/kg while the R3 steer price was back by the same margin to 321.7p/kg. Meanwhile in GB the average steer price was unchanged at 328.8p/kg while the R3 steer price increased by 1.2p/kg to 335.1p/kg. There was a mixed trade across the GB regions with R3 steer prices back in the region of a penny in Scotland and the Midlands while prices in Northern England and Southern England increased by 1.5p/kg and 9.6p/kg respectively.

The R3 heifer price in NI last week was unchanged at 319.6p/kg while the R3 heifer price in GB increased by 2.3p/kg to 335p/kg. The R3 heifer price recorded an increase in all the GB regions last week with the exception of Northern England where it was back by 2.3p/kg to 331.7p/kg. The strongest increase was recorded in Southern England where the R3 heifer price was up by 10.1p/kg to 331.2p/kg.

Tighter prime cattle supplies have improved the deadweight cattle trade in ROI in euro terms. This improvement in the deadweight trade combined with a strengthening in euro against sterling has resulted in strong increases in ROI cattle prices in sterling terms. The R3 steer price in ROI last week was up by the equivalent of 10.5p/kg to 301.6p/kg while the R3 heifer price was up by a similar margin to 309.7p/kg. This puts the differential in R3 steer prices between NI and ROI at 20.1p/kg and the differential in R3 heifer prices at 9.9p/kg.

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

W/E 06/06/2015		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	326.7	309.4	346.3	343.9	339.7	340.2	343.0
	R3	321.7	301.6	340.0	337.5	331.5	330.1	335.1
	R4	320.0	301.5	341.7	347.5	332.5	329.1	339.7
	O3	302.4	288.3	325.5	318.1	302.8	304.4	312.9
	AVG	311.3	-	339.0	336.4	317.8	316.5	328.8
Heifers	U3	328.6	320.5	349.1	348.0	343.4	340.4	346.2
	R3	319.6	309.7	340.9	331.7	333.9	331.2	335.0
	R4	318.3	309.1	342.4	338.0	331.6	323.3	335.8
	O3	305.2	297.2	329.0	320.8	302.4	306.3	316.1
	AVG	314.3	-	341.3	335.3	322.5	312.9	330.6
Young Bulls	U3	308.8	304.3	343.9	326.0	330.1	331.9	331.1
	R3	310.0	297.8	335.1	314.9	316.2	319.5	318.5
	O3	288.2	283.3	301.0	282.9	289.5	281.3	288.0
	AVG	293.9	-	331.2	306.8	306.9	312.8	310.8
Prime Cattle Price Reported		4904	-	6777	6327	5892	3498	22494
Cows	O3	247.0	259.2	257.5	253.5	244.4	239.0	250.2
	O4	251.4	260.4	262.2	252.7	247.9	244.6	253.0
	P2	198.2	232.4	189.3	207.9	193.9	189.8	194.0
	P3	223.6	255.2	198.1	233.2	214.3	210.9	212.9
	AVG	225.1	-	249.9	231.3	207.8	211.5	226.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=72.76p 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 06/06/15	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	188	214	195	170	187	176
Friesians	135	138	136	125	130	128
Heifers	187	212	197	150	186	168
Beef Cows	149	171	158	110	148	128
Dairy Cows	107	129	114	65	106	85
Store Cattle (p/kg)						
Bullocks up to 400kg	202	241	220	170	200	185
Bullocks 400kg - 500kg	190	214	202	145	189	170
Bullocks over 500kg	180	196	190	135	179	160
Heifers up to 450kg	177	194	185	145	171	160
Heifers over 450kg	180	200	190	143	179	160
Dropped Calves (£/head)						
Continental Bulls	310	390	340	190	300	245
Continental Heifers	290	400	320	150	288	215
Friesian Bulls	165	235	200	80	162	120
Holstein Bulls	80	165	120	5	78	40

SHEEP TRADE

SHEEP QUOTES		
(P/Kg DW)	This Week 08/06/15	Next Week 15/06/15
Lambs	350-360>21kg	360-365>21kg

REPORTED SHEEP PRICES			
(P/KG)	W/E 23/05/15	W/E 30/05/15	W/E 06/06/15
NI Lambs L/W	363.0	319.1	334.9
NI Lambs D/W	392.5	361.4	344.2
GB Lambs D/W	421.3	398.3	405.1
ROI D/W	391.4	360.6	356.3

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grade lambs increased to 360-365p/kg with plants paying up to 21kg. Reports have indicated lambs being presented for slaughter are generally of very good quality with an average carcase weight last week of 21.6kg. Lamb throughput in the NI plants last week increased by 1,561 head to 9,508 head. In the corresponding week last year the lamb throughput in NI plants also recorded a strong increase from the previous week to 9,101 head. The deadweight lamb price in NI last week was back to 344.2p/kg while the deadweight lamb price in ROI also came back to 356.3p/kg. A total of 2,464 sheep were exported from NI last week for slaughter in ROI plants.

This Week's Marts

AN improvement in the lamb trade was reported across the marts this week with numbers passing through the sale rings also starting to increase. In Massereene on Monday 509 lambs sold from 330-361p/kg compared to 363 lambs selling from 310-340p/kg the previous week. In Saintfield this week a similar trade saw 486 lambs sold from 328-375p/kg compared to 379 lambs last week selling from 320-379p/kg. In Ballymena on Wednesday a larger entry of 505 lambs sold from 340-395p/kg compared to 252 lambs last week selling from 333-369p/kg. A firm trade in Markethill on Wednesday saw a large entry of 800 lambs sell to an average of 345p/kg.

LATEST SHEEP MARTS					
From: 06/06/15		Lambs (P/KG LW)			
To: 12/06/15		No	From	To	Avg
Saturday	Omagh	293	342	382	-
	Swatragh	452	278	341	-
Monday	Kilrea	250	338	362	-
	Massereene	509	330	361	-
Tuesday	Saintfield	486	328	375	-
	Rathfriland	800	333	380	359
Wednesday	Ballymena	505	340	395	354
	Enniskillen	294	358	372	362
	Markethill	800	330	373	345
	Armoy	170	345	370	350

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