LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 28 March 2015 Issue No. 2362

VALUE AND VOLUME OF UK BEEF SALES INCREASE

ACCORDING to the latest consumer data from Kantar Worldpanel expenditure on beef in the UK during the twelve week period ending 1 March 2015 totalled £568.4 million, a one per cent increase on the corresponding period in 2014 when expenditure on beef totalled £564 million.

In the corresponding 12 week period in 2013 the total UK spend on beef was £535.6 million, representing a six per cent growth in the value of sales between the 2013 and 2015 periods.

The increase in the value of beef sales between the 2014 and 2015 periods has been partly driven by an increase in volume sales. In the twelve weeks ending 1 March 2015 72,410 tonnes of beef were purchased by UK consumers compared to 70,968 tonnes in the corresponding period in 2014. This accounts for a two per cent increase year on year.

Household penetration of beef has held relatively steady year on year. In the twelve weeks ending 1 March 2015 74 per cent of UK households purchased beef compared to 73 per cent in the corresponding period in 2014.

Meanwhile volume purchased per buyer during the 12 weeks ending 1 March 2015 was similar to year earlier levels at 3.6kg.

The average retail price of beef in the UK during the 12 weeks ending 1 March 2015 was £7.85/kg, its highest level since the twelve week period ending 14 September 2014 when it was £7.89/kg. It is however 10p/kg lower than the corresponding period ending 2 March 2014 when the average retail price was £7.95/kg. In the corresponding period in 2013 the average retail price of beef was £7.35/kg.

Figure 1 outlines the average monthly retail price of beef in the UK from March 2013 to March 2014. The increase in the retail price of beef by 50p/kg over the period outlined in the chart represents a seven per cent increase in the retail beef price.

Performance by cut

The latest available data breaking down UK beef sales by individual cuts is for the period ending 1 February 2015. This has indicated that while some cuts have shown a year on year increase in terms of volume sales other have performed less strongly.

In general during the 12 week period ending 1 February 2015, beef sales were up by 2.5 per cent. Sales of first quality beef roasting joints during the twelve week period ending 1 February 2015 were 7.9 per cent higher that the corresponding period in 2014 while volume sales of frying and grilling steaks increased by 2.8 per cent on year earlier levels. Sales of second quality stewing beef were up by 6.7 per cent.

Meanwhile volume sales of first quality stewing steak showed a notable decline, back by 20 per cent from year earlier levels with sales of second quality roasting joints recording a similar decline in volume sales.

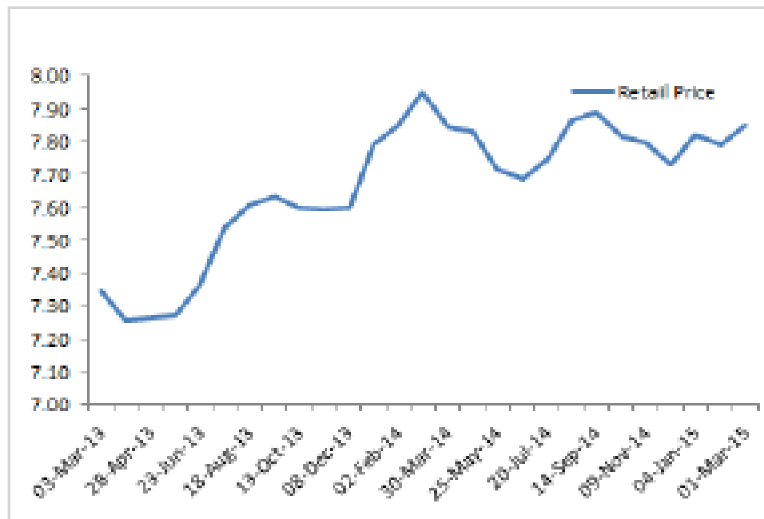
Mince continues to be a growth market for beef with volume sales in the 12 week period ending 1 February 2014 growing by 1.3 per cent from year earlier levels. Sales of burgers and grills also recorded increases over the same period with volume sales up by 9 per cent on year earlier levels.

The most notable increase year on year in terms of beef volume sales has been for sales of some beef cuts that have undergone further processing or product development.

Volume sales of beef marinades during the 12 week period ending 1 February 2015 were up 6.8 per cent on year earlier levels. Meanwhile chilled ready meals recorded a four per cent increase in volume sales, pre packed hot pies recorded a nine per cent growth in volume sales with sales of pre packed pasties also growing by nine per cent.

Frozen beef products however have not shown the same return to volume sales growth as other processed beef products. Volume sales of frozen ready meals and frozen pies in the 12 weeks ending 1 February 2015 were both back in the region of two per cent on year earlier levels.

Figure 1: Average monthly retail price of beef in the UK March 2013- March 2015



FQAS MART CLINICS APRIL

LOCATION	DAY	DATE
Markethill	Tuesday	14/04/2015
Enniskillen	Thursday	16/04/2015
Omagh	Monday	20/04/2015
Saintfield	Wednesday	22/04/2015
Kilrea	Wednesday	29/04/2015
Ballymena	Friday	30/04/2014

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to or following an inspection.

Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic. Terry will be available at the livestock marts listed above. For further information call (028) 9263 3024.

NI PRICES 60P/KG HIGHER THAN ROI

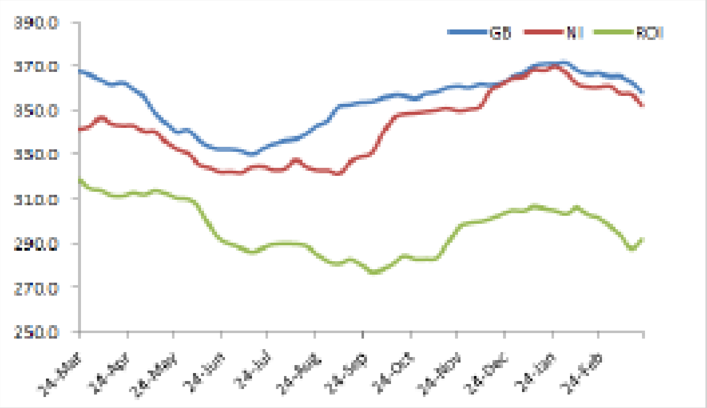
THE R3 steer price in NI has recorded a gradual decline since peaking in mid-January close to 370p/kg. The average R3 steer price in NI last week was 352.3p/kg, back 4.7p/kg from the previous week and this brought the R3 steer price in NI back to December 2014 levels.

Deadweight cattle prices in GB have also come under pressure in recent weeks with an average R3 steer price last week of 357.9p/kg. This is the lowest recorded level since early November 2014. As indicated in Figure 2 the differential in R3 steer prices between NI and GB last week was 5.6p/kg. This is notably narrower than the corresponding week in 2014 when the differential was 26p/kg.

In ROI last week a slight improvement in the value of euro against sterling saw the R3 steer price increase by the equivalent of 4.1p/kg (+1.2c/kg) to 291.7p/kg. The differential in the R3 steer price between NI and ROI last week was 60.6p/kg which is the equivalent of £200 on a 330kg carcase. This is notably wider than the corresponding week in 2014 when the differential was 23p/kg or £75 on a 330kg R3 grade carcase. In fact in early June 2014 the differential had been as narrow as 19.5p/kg or £64 on a 330kg R3 grade steer carcase.

Some of the increase in the differential between UK and ROI prices can be attributed to the weakening in the euro against sterling. This weakening has made UK origin beef less competitive on European markets which are an important outlet for manufacturing beef and offals in particular. However this also has implications for the UK beef market, with the imported ROI product becoming more competitive.

Figure 2: R3 steer prices GB, NI and ROI March 2014 to March 2015



WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 23/03/15	Next Week 30/03/15
Prime		
U-3	340 - 346p	330-338p
R-3	334 - 340p	324-332p
O+3	328 - 334p	318-326p
	Including bonus where applicable	
Cows		
O+3 & better	230 - 250p	230 - 246p
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 21/03/15	Steers	Heifers	Young Bulls
U3	350.5	357.0	339.5
R3	351.4	351.1	342.5
O+3	342.4	338.6	324.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 21/03/15	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	144.7	153.3	158.9	178.4
P2	154.0	182.3	193.8	219.6
P3	145.9	196.2	215.4	227.1
O3	-	216.8	223.9	248.7
O4	160.0	238.0	237.4	254.7
R3	-	-	-	271.2

Deadweight Cattle Trade

NORTHERN Ireland cattle prices continued to come under pressure this week and a further decline is expected next week. The factories were quoting 340-346p/kg this week and quotes of 330-338p/kg are expected on Monday. This week factories were quoting 230-250p/kg for cows and quotes of 230-246p/kg are expected next week. Strong premiums continue to be paid for traditional breeds. Angus and Hereford cattle are attracting bonuses of 25-40p/kg at various plants.

At a general level, the weaker trade is owing to a tougher export market in Europe and beyond, with the weak euro making imported beef more competitive in the domestic market. Meanwhile on the supply side, the prime cattle kill declined last week with 6,300 head slaughtered. This was down by 10 per cent on the previous week, but remained higher than the prime cattle kill in the corresponding week in 2014. Last week's NI cow kill totalled 1,500 head. This was 10 per cent higher than the previous week and also higher than the same week last year when 1,275 cows were slaughtered.

Last week, 440 cattle were imported from ROI for direct slaughter. This was fewer than the previous week. For the year to date, NI factories have imported on average 500 head of prime cattle for direct slaughter from ROI. Last week a lorry load of cattle was imported from Great Britain. Things were quiet on the live export front last week with no cattle shipped to Great Britain for direct slaughter. Meanwhile, 180 head were exported to ROI.

Reported prices show that steer and heifer prices were generally back in Northern Ireland. The R3 steer price was back by 5p/kg, while the R3 heifer price was down by 3p/kg. The average price of all steers was back by 3.6p/kg, with the average heifer price down by a similar margin. Meanwhile cow prices were reasonably stable.

The trade also came under pressure in Great Britain, where the R3 steer price was down by 5p/kg. Corresponding heifer prices were down by 1p/kg. The sharpest price declines were in the English Midlands, Wales and Southern England. The Southern England R3 steer price was down by 8p/kg. The R3 steer price in the Midlands and Wales was down by 5p/kg. R3 steer prices also fell in Scotland (-4p/kg) and in Northern England (-2.5p/kg). The decline in prices in GB means that the NI trade has stayed broadly in line with English levels. The R3 steer price in NI is on a par with southern England but just 2p/kg lower than the equivalent price in the Midlands and Wales and 4p/kg behind the Northern England price. The gap is slightly wider on R3 heifers. Scottish prices remain higher than English levels, but the gap between Scottish and English cattle has narrowed significantly since late last year.

In ROI last week prices were slightly stronger. R3 steer and heifer prices were up by about 1c/kg. However, with some strength going back into the euro, prices were up by 4p/kg in sterling terms.

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

W/E 21/03/2015		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	350.9	300.2	373.8	367.5	367.9	365.2	369.0
	R3	352.3	291.7	365.7	356.6	354.7	352.0	357.9
	R4	350.2	291.8	366.1	372.0	356.5	354.3	364.6
	O3	336.5	276.8	347.1	333.9	328.6	329.3	335.2
	AVG	343.0	-	364.2	359.4	345.6	341.9	354.3
Heifers	U3	357.0	311.2	375.5	373.8	369.9	366.9	372.3
	R3	352.1	299.9	365.7	359.7	358.2	355.3	360.4
	R4	349.0	299.9	366.1	364.9	358.4	354.6	362.3
	O3	339.0	286.9	347.3	343.3	328.4	324.4	337.5
	AVG	346.8	-	365.7	359.8	350.2	343.0	356.8
Young Bulls	U3	339.2	292.8	367.4	349.0	356.2	361.1	355.5
	R3	342.1	284.8	355.9	328.0	347.1	348.4	340.8
	O3	313.9	271.7	314.1	299.3	318.5	316.9	310.6
	AVG	321.2	-	328.6	310.1	323.4	326.3	320.4
Prime Cattle Price Reported		5375	-	6141	5493	5062	3659	20355
Cows	O3	246.3	244.8	268.1	255.5	241.9	247.6	254.7
	O4	253.1	245.9	272.3	257.6	249.9	247.8	258.2
	P2	202.5	213.3	187.9	216.6	189.1	184.4	193.2
	P3	221.7	237.8	213.9	229.4	203.9	220.9	214.7
	AVG	226.6	-	254.6	236.4	208.1	215.9	229.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=72.00p 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 21/03/15	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	200	218	203	176	199	187
Friesians	153	157	155	148	152	150
Heifers	201	210	206	175	196	186
Beef Cows	146	186	159	100	145	122
Dairy Cows	100	127	110	60	99	80
Store Cattle (p/kg)						
Bullocks up to 400kg	215	234	228	167	188	177
Bullocks 400kg - 500kg	204	228	214	167	203	185
Bullocks over 500kg	200	225	209	141	199	175
Heifers up to 450kg	200	230	216	180	198	190
Heifers over 450kg	200	230	212	170	199	185
Dropped Calves (£/head)						
Continental Bulls	295	400	350	175	290	235
Continental Heifers	245	350	300	100	240	170
Friesian Bulls	80	155	120	20	78	50
Holstein Bulls	60	155	100	1	58	30

SHEEP TRADE

HOGGET QUOTES

(P/Kg DW)	This Week 23/03/15	Next Week 30/03/15
Hoggets	415p>22kg	415p>22kg
Spring Lambs	460p	450-460p>21kg

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 07/03/15	W/E 14/03/15	W/E 21/03/15
NI Liveweight	364.5	366.0	369.5
NI Deadweight	399.2	413.6	412.9
ROI Deadweight	388.2	391.7	402.6
GB Deadweight	437.4	442.8	451.3

Deadweight Sheep Trade

THIS week factories were quoting 415p/kg for hoggets. Supplies are tightening, with fewer than 5,000 hoggets slaughtered in Northern Ireland last week. Meanwhile, there was an increase in the number of hoggets exported to ROI for direct slaughter, with over 8,200 shipped across the border. This was an increase of 13 per cent on the previous week. In the week ending 21 March deadweight hogget prices were stable in Northern Ireland. However, prices in ROI and in Great Britain increased by about 10p/kg.

This Week's Marts

AT the marts early this week, the trade was broadly stable compared to last week, but as the week progressed the trade softened somewhat. At Masserene on Monday, there was a slight improvement in the trade with prices ranging from 360-394p/kg for over 1,300 hoggets. This compared with 355-391p/kg the previous week. On Tuesday in Saintfield, 644 hoggets sold from 340-419p/kg. This was similar to last week when prices range from 345-400p/kg. On Wednesday in Ballymena, a smaller show of 1,261 hoggets in Ballymena sold from 320-400p/kg. This was lower than last week when prices ranged from 340-431p/kg for 1,678 head. Prices were also softer in Enniskillen where prices ranged from 355-391p/kg. This was down from 368-412p/kg last week.

LATEST SHEEP MARTS

From: 21/03/15		Hoggets (P/KG LW)			
To: 27/03/15		No	From	To	Avg
Saturday	Omagh	956	357	408	-
	Swatragh	693	344	494	-
Monday	Massereene	1319	360	394	-
	Kilrea	570	360	392	-
Tuesday	Saintfield	644	340	419	-
	Rathfriland	1107	336	409	364
Wednesday	Ballymena	1261	320	400	352
	Enniskillen	1135	355	391	-
	Markethill	1250	340	403	358

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

LMC