LMC BULLETIN

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NI SHEEP MARKET UPDATE QUARTER 1

THE NI hogget kill during the first quarter of 2015 totalled 74,719 head. This is a 9 per cent reduction on the corresponding period in 2014 when 81,787 hoggets were killed in NI plants.

There was also an overall reduction in the number of hoggets exported from NI to ROI for direct slaughter during 2015 to date when compared to year earlier levels. Exports in the first quarter totalled 79,500 head, a 11 per cent decline on 2014 levels and accounting for 52 per cent of total hogget output from NI producers.

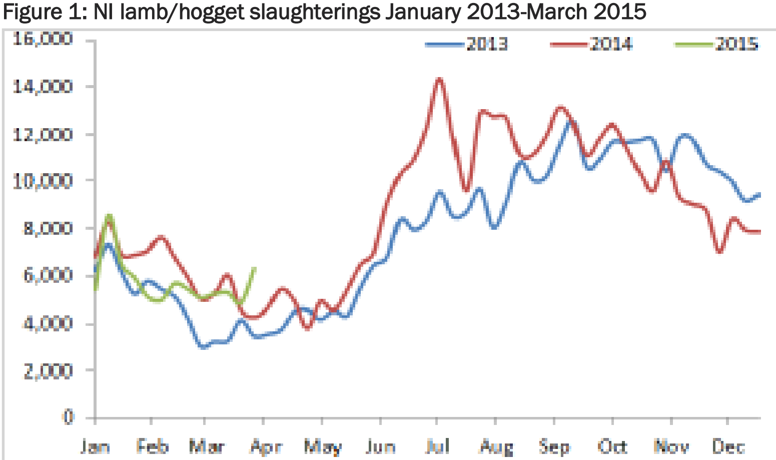
In the corresponding period in 2014 a total of 89,802 hoggets were exported from NI for direct slaughter in ROI plants and these also accounted for 52 per cent of total output from NI producers. Total hogget output from NI sheep producers in the first quarter of 2015 was 17,370 head lower than the corresponding period in 2014 which accounts for a 10 per cent reduction year on year.

The much improved weather and grass growing conditions during 2014 when compared to earlier years improved lamb performance, with lambs reaching slaughter weight much quicker than earlier years. The result of this was that the carryover of hoggets into 2015 was markedly lower than earlier years.

Carcase weights

The average hogget carcase weight during the first quarter of 2015 was 22.3kg compared to 22.1kg in the corresponding period in 2014. This 0.2kg increase in the average carcase weight is likely to be a result of the favourable production conditions on NI farms in recent months with fairly settled weather in comparison to previous years. Total lamb production in NI during the first quarter of 2015 totalled 1,669 tonnes, This was a 7.5 per cent decrease on the 1,804 tonnes processed in the 2014 period.

Figure 1: NI lamb/hogget slaughterings January 2013-March 2015



Grading

The quality of the hoggets presented for slaughter has generally been good with 98 per cent of price reported hoggets achieving an R grade or better in the first quarter of 2015 compared to 96 per cent in the corresponding period in 2014.

There has however been an increase in the proportion of R grade hoggets in the slaughter mix with R grade carcases accounting for 72 per cent of the kill in the first quarter of 2015 compared to 67 per cent in the 2014 period. Meanwhile the proportion of U grade hoggets has declined from 27 per cent in the 2014 period to 25 per cent in the 2015 period.

The proportion of the NI hogget kill awarded each fat class was broadly similar to the same period in 2014 with 73 per cent of hoggets awarded a 3 for fat class. The proportion awarded a fat class 2 decreased from 15 per cent to 13.5 per cent while the proportion of hoggets awarded a 4L for fat cover increased from 9 per cent of the kill to 12 per cent.

Price

The average R3 hogget price during the first quarter of 2015 was 399.5p/kg compared to 406.3p/kg in the corresponding period in 2014. This decline by 6.8p/kg is the equivalent of £1.50 per head year on year on a 22kg carcase. The strength of sterling against the euro has generally made trading lamb on key European markets more difficult for NI lamb processors. NI and the UK's major rival in accessing important markets in the EU is Ireland which is more cost competitive at current exchange rates.

Ewes and rams

Ewe and ram throughput during the first quarter of 2015 totalled 10,690 head, an 11 per cent reduction on the corresponding period in 2014. This drop in throughput combined with a decline in average carcase weights from 28.4kg in the 2014 period to 26.6kg in the 2015 period resulted in a 17 per cent reduction in the volume of meat from ewes and rams processed.

ROI

While the number of hoggets presented for slaughter in NI plants have recorded a reduction in the first quarter of 2015 availability has improved in ROI year on year. A total of 463,949 hoggets were slaughtered in ROI plants during the first quarter of 2015, a four per cent increase on the corresponding period in 2014 when 445,949 head were slaughtered.

However while the total hogget kill in ROI in the first quarter of 2015 was four per cent higher year on year the proportion of the kill sourced in NI has declined. The 89,802 hoggets exported from NI to ROI for direct slaughter during the first quarter of 2014 accounted for 20 per cent of total hogget throughput in ROI and in the corresponding period in 2015 this had declined to 17 per cent.

GB

The latest available slaughter statistics for GB are for up until the end of February 2015 by which stage 1.96 million hoggets had been slaughtered in GB compared to 1.79 million head in the corresponding period in 2014. This accounts for a ten per cent increase year on year with estimated slaughterings for March 2015 indicating a similar trend.

This notable increase in throughput has been attributed to the improved weather last spring resulting in a much larger lamb crop available for slaughter.

NEW APPOINTMENT AT LMC

LMC have recently appointed Seamus McMenamin as their new Economist. Seamus is from a beef and sheep farm in west Tyrone and has previously worked in several key roles within industry and since July 2012 has been employed by LMC as a Market Analyst.

In his new role as Economist Seamus will be responsible for leading LMC's Market Information Department. The Market Information Department is primarily responsible for providing impartial and objective market information services both to external and internal stakeholders. These services are essential in helping industry stakeholders to make good decisions and informs those that are engaged in industry efficiency and promotion programmes.

New LMC Economist: Seamus Mc Menamin

UK LAMB EXPORTS LOWER IN JANUARY

THE latest available lamb export data for the UK from HMRC is for January 2015. During January 2015 a total of 6,249 tonnes of lamb were exported out of the UK, a notable decline on the 8,058 tonnes exported in January 2014. This decline by 1,809 tonnes represents a 22 per cent decline year on year.

Exports of lamb to EU countries totalled 5,782 tonnes during January 2015 and accounted for 93 per cent of total lamb exports. In the corresponding period in 2014 exports to the EU totalled 6,421 tonnes and accounted for 80 per cent of total UK lamb exports.

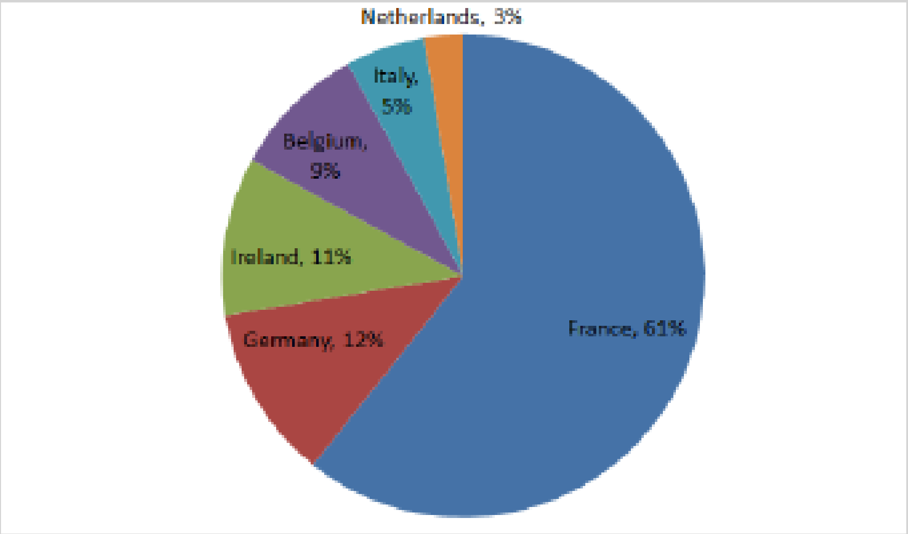
France continues to be the biggest market for UK origin lamb with 3,419 tonnes exported during January 2015 and accounting for 60 per cent of total exports to all EU countries. There has however been a decline in the volumes exported year on year. In January 2014 a total of 4,002 tonnes were exported from the UK to France, representing a 15 per cent decline year on year.

Germany, Belgium, Italy and the Netherlands are also important markets for UK origin lamb although the volume exported to these four countries combined accounted for less than 50 per cent of exports to France during January 2015. When comparing January 2014 and January 2015 there were volume declines in exports in Germany, Belgium and the Netherlands while exports to Italy increased by 81 tonnes to 299 tonnes.

Exports from the UK to non-EU destinations during January 2015 totalled 468 tonnes and accounted for seven per cent of total lamb exports. This compares with 1,323 tonnes exported to non EU countries during the previous January which accounted for 20 per cent of total UK lamb exports.

During January 2015 whole carcases accounted for 4,100 tonnes or 66 per cent of total lamb exports. Lamb cuts made up the remaining 34 per cent of volume exports during January 2015. By comparison in January 2014 whole carcases accounted for 56 per cent of volume exports of lamb with cuts accounting for 44 per cent of total volume exports.

Figure 2: Lamb exports from the UK during January 2015 to the EU by destination



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 30/03/15	Next Week 06/04/15
Prime		
U-3	330 - 336p	328 - 334p
R-3	324 - 330p	322 - 328p
O+3	318 - 324p	316 - 322p
	Including bonus where applicable	
Cows		
O+3 & better	230 - 250p	230 - 250p
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 28/03/15	Steers	Heifers	Young Bulls
U3	349.9	353.2	340.1
R3	347.3	345.1	330.8
O+3	336.3	332.0	319.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 28/03/15	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	132.1	141.6	155.3	172.1
P2	157.2	177.5	190.6	213.4
P3	180.2	201.9	215.0	226.3
O3	230.0	227.4	235.9	248.2
O4	-	192.7	234.9	244.7
R3	-	-	-	266.8

Deadweight Cattle Trade

QUOTES for U-3 steers this week ranged from 330-336p/kg across the plants with quotes for early next week ranging from 328-334p/kg. With such a range in quotes producers are encouraged to shop around to ensure they get the best deal available. Additional bonuses are available for premium cattle (AA, Hereford and Organic) and producers should consult with individual plants about pricing policies. Quotes for good quality O+3 grade cows this week ranged from 230-250p/kg with the majority of plants quoting from 246-250p/kg.

The plants have been reporting steady supplies of cattle coming forward to meet demand in recent weeks with 6,987 prime cattle slaughtered last week. This brings prime cattle throughput for March 2015 to 27,305 head, an 11 per cent increase on throughput during March 2014. This increase in throughput year on year is a result of a lower young bull kill last year with these animals now being killed as steers after a longer production cycle. The steer kill in March 2015 totalled 14,770 head, a 37 per cent increase on the same period in 2014. Meanwhile the young bull kill declined by 44 per cent year on year with 2,430 head killed in March 2015. A total of 1,383 cows were killed in NI last week, the lowest weekly throughput since the first week of January.

The NI deadweight prime cattle trade has continued to come under pressure with the average steer price back by 4p/kg to 338.9p/kg last week. The R3 steer price was back by 4.6p/kg to 347.7p/kg, the lowest reported price since early October 2014. The average heifer price in NI last week was 339.7p/kg, down by 7.1p/kg from the previous week while the R3 heifer price was back by 5.8p/kg to 346.3p/kg. The trade for young bulls has also come under pressure with the average NI price last week back by 7.7p/kg to 313.5p/kg.

The deadweight cattle trade in GB has also come under pressure but not to the same degree as experienced in NI. The average steer price in GB last week was back by 2.5p/kg to 351.8p/kg with the R3 steer price back by a similar margin to 355.7p/kg. The R3 steer price was back in all the GB regions with the most notable declines in the Midlands and Scotland. As with NI the deadweight heifer trade in GB recorded a bigger decline than the deadweight steer trade. The average heifer price in GB last week was back 3.8p/kg to 353p/kg while the R3 heifer price was back by 2.8p/kg to 357.6p/kg. The R3 heifer price was back in the region of 1p/kg in all the GB regions last week with the exception of the Midlands where it was back by 6p/kg.

An improvement in the value of euro against sterling combined with an improvement in the deadweight cattle trade south of the border resulted in strong increases in ROI prices in sterling terms last week. The R3 steer price in ROI last week was the equivalent of 298.9p/kg, up 7.2p/kg from the previous week. Meanwhile the R3 heifer price in ROI was the equivalent of 307.1p/kg, also up 7.2p/kg from the previous week. The cow trade has remained firm in ROI with an equivalent O3 cow price last week of 250.7p/kg. This was 4.2p/kg higher than the equivalent price in NI last week.

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

W/E 28/03/2015		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	350.4	307.5	367.9	363.3	365.0	361.5	364.8
	R3	347.7	298.9	362.2	355.3	352.3	351.4	355.7
	R4	346.1	298.9	363.4	367.3	353.5	348.7	360.3
	O3	330.4	284.4	348.3	334.6	326.5	327.6	334.6
	AVG	338.9	-	361.2	357.2	343.9	339.7	351.8
Heifers	U3	353.3	318.4	372.9	368.6	368.3	360.5	369.0
	R3	346.3	307.1	363.8	353.6	357.0	354.2	357.6
	R4	343.9	306.5	363.2	356.9	355.1	351.8	357.6
	O3	332.1	291.3	343.5	332.3	325.5	334.0	334.8
	AVG	339.7	-	362.8	353.4	348.1	341.3	353.0
Young Bulls	U3	340.1	299.0	360.7	337.4	352.0	353.8	350.7
	R3	330.1	292.9	346.3	329.6	333.7	344.6	334.9
	O3	312.4	279.6	316.0	300.6	310.5	308.6	307.9
	AVG	313.5	-	324.0	312.5	320.4	326.9	319.8
Prime Cattle Price Reported		5848	-	6087	5463	5128	3651	20329
Cows	O3	246.5	250.7	270.1	252.4	245.0	247.5	254.9
	O4	243.2	251.3	272.5	255.9	248.2	250.4	257.7
	P2	196.0	216.6	194.4	211.1	187.9	194.3	195.5
	P3	222.0	243.6	216.6	229.9	209.3	219.6	216.8
	AVG	220.7	-	258.2	233.8	211.7	212.3	230.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=73.39p 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 28/03/15	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	198	205	201	170	194	183
Friesians	145	166	160	125	139	132
Heifers	192	200	195	165	189	179
Beef Cows	152	197	160	108	150	125
Dairy Cows	109	128	114	62	108	85
Store Cattle (p/kg)						
Bullocks up to 400kg	210	223	213	178	198	189
Bullocks 400kg - 500kg	205	231	215	170	204	187
Bullocks over 500kg	191	218	203	170	190	180
Heifers up to 450kg	207	220	214	176	193	186
Heifers over 450kg	200	216	208	160	199	180
Dropped Calves (£/head)						
Continental Bulls	310	425	370	200	305	250
Continental Heifers	275	375	310	120	270	195
Friesian Bulls	120	240	150	50	118	65
Holstein Bulls	100	180	125	2	98	50

SHEEP TRADE

HOGGET QUOTES

(P/Kg DW)	This Week 30/03/15	Next Week 06/04/15
Hoggets	400-410>22kg	400-410>22kg
Spring Lambs	450-460>21kg	450-460>21kg

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 14/03/15	W/E 21/03/15	W/E 28/03/15
NI Liveweight	366.0	369.5	361.7
NI Deadweight	413.6	412.9	410.9
ROI Deadweight	391.7	402.6	416.7
GB Deadweight	442.8	451.3	450.5

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grade hoggets were 400-410p/kg to 22kg with similar quotes expected for early next week. Quotes for the small number of spring lambs slaughtered ranged from 450-460p/kg up to 21kg. There was a strong uplift in throughput last week with a total of 6,335 lambs/hoggets slaughtered in NI plants. This was the highest weekly throughput since mid-January 2015. A further 6,529 hoggets and 86 spring lambs were exported to ROI for direct slaughter last week. The average deadweight price in NI last week was back 2p/kg to 410.9p/kg while prices in ROI increased by the equivalent of 14.1p/kg to 416.7p/kg.

This Week's Marts

THE number of hoggets passing through the sale rings was generally similar to previous weeks with small numbers of spring lambs on offer in some of the marts. In Kilrea on Monday 619 hoggets sold from 348-394p/kg compared to 570 hoggets the previous week selling from 360-392p/kg. In Saintfield this week a similar trade saw 655 hoggets sold from 340-415p/kg compared to 644 hoggets last week selling from 340-419p/kg. In Enniskillen this week a quieter trade saw a smaller entry of 608 hoggets sold from 318-368p/kg compared to 1,135 hoggets last week selling from 355-391p/kg. The good trade for well fleshed cull ewes has continued across the marts with top prices of over £120 reported in several of the marts. The top reported price this week was £133 for a lot in Kilrea on Monday.

LATEST SHEEP MARTS

From: 28/03/15		Hoggets (P/KG LW)			
To: 03/04/15		No	From	To	Avg
Saturday	Omagh	1291	322	389	-
	Swatragh	825	357	427	-
Monday	Kilrea	619	348	394	-
Tuesday	Saintfield	655	340	415	-
	Rathfriland	500	322	382	350
Wednesday	Ballymena	820	310	387	332
	Enniskillen	608	318	368	332
	Markethill	750	330	365	347
	Armoy	450	-	-	340

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