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FAT CLASS ANALYSIS MAY-OCTOBER 2011/12

THERE have been reports from the major processing plants over the last number of months of an increase in the proportion of prime cattle (steers, heifers and young bulls) being presented for slaughter which are under-finished. The poor weather conditions of summer 2012 and the high concentrate prices during the summer and autumn have been identified as key contributory factors to this trend. It should be noted that the proportion of steers, heifers and young bulls in the prime kill was unchanged between the two periods.

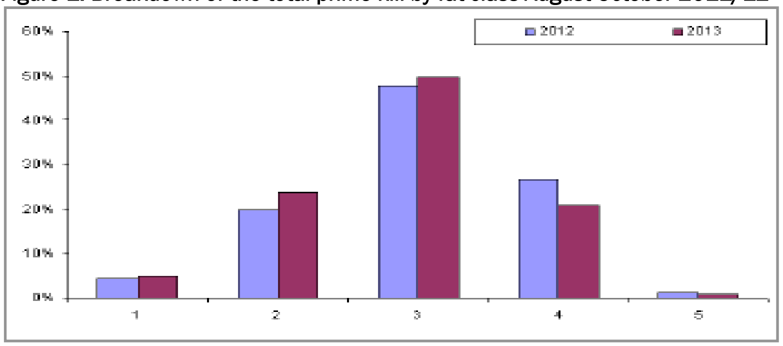
Table 1 shows the total prime kill for the period May-October 2011/2012 broken down by fat cover. There is evidence of a movement down the scale of animals in terms of fat cover. Generally the proportion of prime cattle carcases grading ones and twos for cover increased slightly while the proportion of animals grading a four for fat cover has decreased.

When comparing the two periods in question the proportion of prime carcases awarded a one for fat cover has increased slightly to 4.1 per cent during May-October 2012 while the number of carcases awarded a two for cover during the same period has increased by one percentage point to 21.3 per cent. The proportion of fours has decreased from 27 per cent in the 2011 period to 24.8 per cent in 2012. Meanwhile the proportion of carcases awarded a three for cover has increased by 1.7 percentage points to 49 per cent in the 2012 period.

While looking at the spread of fat classes for the total prime kill is useful in identifying a general trend it is also beneficial to look at the prime kill broken down by its source, i.e. suckler and dairy origin cattle. Table 2 outlines all prime cattle killed from May-October 2011/2012 which have been sourced from the dairy herd. A similar trend to the total prime kill can be observed with the proportion of under finished animals (fat class ones and twos) increasing from 36.7 per cent in the 2011 period to 38.3 per cent in the 2012 period. The proportion of the dairy origin kill awarded a four for cover during the same period has decreased by 2.1 percentage points to 16.5 per cent in year on year. The proportion of fat class threes meanwhile has increased to 44.7 per cent (43.9 per cent in 2011).

Table 3 outlines the fat class statistics for prime cattle sourced from the suckler herd. As with the dairy origin prime cattle the proportion of under finished cattle (ones and twos) has increased from 17.8 per cent in May-October 2011 to 19 per cent in the same period in 2012. Meanwhile the proportion of animals awarded a three for cover has increased by 1.9 percentage points to 51.1 per cent. It is likely that this increase is a result of animals that would usually have achieved a four for cover under normal production conditions but have slipped back to a three for cover due to the difficult finishing conditions in 2012. The proportion of the suckler origin kill achieving a four for fat cover has declined by 2.8 percentage points to 28.8 per cent between the two periods.

Figure 1: Breakdown of the total prime kill by fat class August-October 2011/12



The figures outlined in the tables include the classification statistics for the last six months in terms of the fat cover of the total prime kill. While they have shown a general shift towards lower fat covers the changes have been more pronounced if we look at the last three months, as indicated in Figure 1. The proportion of the total prime kill achieving a four for cover has declined by 5.8 percentage points to 20.9 per cent between the 2011 and 2012 time periods while the proportion of under finished cattle (ones and twos) has increased by 4.3 percentage points to 28.7 per cent.

There has however been a variation in this trend between dairy origin and suckler origin prime cattle. There has been a 5.1 percentage point increase in the proportion of the dairy origin cattle awarded a one or two for fat cover, accounting for 41.5 per cent of the total dairy origin prime kill. The proportion of these dairy origin animals achieving a four for cover has

Table1: Breakdown of the total prime kill by fat class May-October 2011/12

Year	1	2	3	4	5	Total
2011	4.0%	20.4%	47.3%	27.0%	1.2%	127,878
2012	4.1%	21.3%	49.0%	24.8%	0.9%	126,075

Table 2: Breakdown of the prime kill with a dairy dam by fat class May-October 2011/12

Year	1	2	3	4	5	Total
2011	8.1%	28.6%	43.9%	18.6%	0.7%	45,027
2012	8.5%	29.8%	44.7%	16.5%	0.5%	41,643

Table 3: Breakdown of the prime kill with a suckler dam by fat class May-October 2011/12

Year	1	2	3	4	5	Total
2011	1.8%	16.0%	49.2%	31.6%	1.4%	82,851
2012	1.9%	17.1%	51.1%	28.8%	1.1%	84,432

also declined, down by 4.3 percentage points to 14.3 per cent between the two periods while the proportion of animals achieving a fat class three has declined slightly to 43.8 per cent.

Meanwhile the proportion of suckler origin stock achieving a one or two for fat cover has increased by 3.8 percentage points to 21.7 per cent in the 2012 period. The proportion of carcases from suckler origin prime cattle awarded a three for cover has increased by 3.2 percentage points to 52.8 per cent during the same period. The biggest change however has been in the proportion of suckler origin cattle that achieved a four for fat class, declining from 31.1 per cent in the 2011 period to 24.5 per cent in the 2012 period (-6.6 percentage points).

In many cases the major meat plants have customer specifications that require a fat cover of three or four. The general downward shift in the level of cover on prime cattle carcases in the last three months, and the increasing proportion of prime carcases scoring ones and twos for cover as a result, may have made it more difficult to meet these specifications.
Under finished prime cattle will attract a lower price on the grid as well as having a lower kill out percentage than well finished prime cattle and the financial return to the producer will be reduced as a result. In addition to this under finished animals may attract penalties as well as potentially missing out on the 8p/kg bonus which is currently in place across the plants. In October 2012 only 27.4 per cent of price reported steers and heifers qualified for the 8p/kg bonus, this is the lowest level since the bonus was first introduced in November 2009. It should however be noted that this figure includes animals that are outside specification for fat class, weight, age and FQAS status.

Meeting the required specification has been a challenge this summer and autumn given the weather conditions and high feed/forage costs. In some cases producers may simply find it impossible to economically meet specifications. In this regard it is important that producers are aware of the help and advice available to them through CAFRE and other farming organisations this winter. In this environment farm gate price incentives must be optimal to reward farmers for finishing cattle to specification where this is a priority for the processor.

LMC EXTENDS FQAS LIAISON SERVICE TO MARTS

MART CLINICS TIMETABLE		
Kilrea	Wednesday	28/11/2012
Ballymena	Friday	30/11/2012
Markethill	Tuesday	04/12/2012
Saintfield	Wednesday	05/12/2012
Enniskillen	Thursday	06/12/2012
Omagh	Monday	10/12/2012

LMC is extending its farm liaison service to marts from 28th November 2012. LMC's Farm Liaison Officer, Terry White, will run Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry will be 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 in the table to the left.

LMC owns and manages FQAS on behalf of the beef and sheep meat industry and provides a dedicated liaison service to both new applicants and existing FQAS members. The mart clinics are in addition to the daily FQAS helpline that LMC currently provides. The helpline is available to any producers needing assistance with scheme queries or non-conformances.

The helpline is available Monday to Friday 9am – 5pm on 028 9263 3024 or mobile 07734 282271.

FARM QUALITY ASSURED
NORTHERN IRELAND

SHEEP: BUILDING A PROFITABLE SHEEP BUSINESS

Greenmount Campus Antrim

Wednesday 5th December 11am

This event is organised by CAFRE in conjunction with the NSA, AFBI, Agrisearch and LMC. The event will focus on breed crosses delivering lamb numbers, strategies for selecting replacements and grassland management techniques as a means to deliver profitability.

11.00am Tour of 180 ewe sheep flock
- Featuring New Zealand Genetics, outdoor lambing and high prolificacy

01.30pm Conference
-Key speakers will focus on building a profitable sheep business

04.00pm National Sheep Association AGM.

The event costs £10, to include tea/coffee and lunch. To register contact CAFRE (by the 28th November) on 028 9442 6770 or email rebecca.coalter@dardni.gov.uk
Cheques (made payable to DARD) should be forwarded to Technology Administration at:
CAFRE
Greenmount campus
45 Tirgracy Road
Muckamore
Antrim
BT41 4PS

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

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE (P/KG DW)	This Week 19/11/12	Next Week 26/11/12
Prime		
U-3	320-326p	322-326p
R-3	314-320p	316-320p
O+3	308-314p	310-314p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	264-275p	260-275p
Steakers	184-245p	180-245p
Blues	164-180p	160-180p

REPORTED NI CATTLE PRICES - P/KG

W/E 17/11/12	Steers	Heifers	Young Bulls
U-3=	330.2	336.1	323.4
U=3=	330.6	336.9	322.8
U=4=	324.8	331.0	-
R=3=	329.9	330.0	318.4
R=4=	317.8	332.7	314.0
O=3=	312.2	313.8	303.9
O+3=	322.9	323.2	309.7
Average	319.3	321.5	309.8

REPORTED COW PRICES NI W/E 17/11/12

Grades	Price (p/kg)	Avg Wgt
O+3=	277.4	314.1
O-3+	258.8	311.5
P+2+	242.5	294.4
P+3+	250.0	299.0
P-1-	168.4	219.1

COMMODITIES

COMMODITY PRICE

W/E 24/11/12	Price (£) per tonne / 1000litre	% weekly change
Barley	214.00	-0.23
Wheat	227.00	-1.30
Soya	467.00	-1.68
Straw	16.05	-
Red Diesel	717-750	-

Deadweight Cattle Trade

THE quotes from the plants for prime cattle this week have continued to rise as demand for beef increases in the run up to Christmas. Base quotes of 322-324p/kg were available for steers with quotes of 324-326p/kg available for heifers. Reports from producers have indicated that in some cases deals have been done for in spec animals at higher prices than quotes would suggest. Many plants have been reporting a tightening in the availability of prime cattle. The throughput of prime cattle last week was 6,711 head, up 150 head on the previous week and similar to the same week last year. The cow kill last week totalled 2,714 head with quotes for first quality cows remaining in the range of 260-275p/kg.

Imports of prime cattle for direct slaughter from ROI last week totalled 788 head, the lowest level of imports since mid August. In addition to this 305 cows were imported from ROI for direct slaughter, 70 head more than the previous week. Meanwhile exports of cattle to GB for direct slaughter totalled 237 head, taking exports to GB for direct slaughter for the year to date to almost 7,500 head.

The average steer price in NI last week increased by 3.1p/kg to 319.3p/kg while the average heifer price increased by 3.5p/kg to 321.5p/kg. With the GB average steer and heifer prices also increasing in the region of 3.5p/kg last week the differential between NI and GB has remained at similar levels to the previous week. The prices paid for cattle generally increased across all the regions last week with the R3 steer price in Scotland increasing by 2.9p/kg to 363.9p/kg while the R3 heifer price in the region increased by 5.2p/kg to 362.7p/kg. Increases in the R3 steer and heifer prices in Northern England and the Midlands were in the region of 3-4p/kg with average prices up by a similar amount. R3 steer price in southern England increased by 8.1p/kg to 355.6p/kg while the heifer price increased by 2p/kg to 350.9p/kg.

Prices paid for cattle in ROI last week increased in euro terms and a slight strengthening in the value of euro against sterling improved it further in sterling terms. The R3 steer and heifer prices increased in the region of 5p/kg to 303.6p/kg and 316.9p/kg respectively.

This week's marts

THE trade for finished cattle in the marts this week was generally similar to last week with first quality steers and heifers selling within a similar range. The average price for first quality steers was 190p/kg while first quality heifers sold to an average of 196p/kg. The trade for cull cows has remained strong with beef cows selling to a top of 200p/kg and dairy cows selling to a top of 134p/kg.

The trade for store cattle has showed a slight improvement on the previous week with 400-500kg first quality bullocks selling from 190-212p/kg (180-205p/kg last week). Meanwhile bullocks over 500kg sold to an average of 200p/kg compared to an average of 190p/kg last week while first quality heifers over 450kg sold to an average of 191p/kg compared to 181p/kg last week.

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

W/E 17/11/2012		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	330.0	313.1	370.1	368.9	367.4	367.2	368.5
	R3	328.3	303.6	363.9	361.2	357.2	355.6	360.1
	R4	323.6	303.5	367.0	366.4	356.0	354.0	362.6
	O3	315.6	288.9	350.8	351.9	340.5	333.1	346.1
	AVG	319.3	-	363.5	358.4	352.4	343.8	355.9
Heifers	U3	336.8	329.3	370.0	367.3	368.7	367.1	368.6
	R3	332.4	316.9	362.7	354.9	355.6	350.9	356.9
	R4	330.1	316.4	363.9	359.5	356.6	351.3	358.9
	O3	317.6	300.5	342.3	340.1	343.4	328.1	339.0
	AVG	321.5	-	361.0	352.2	352.3	337.2	352.2
Young Bulls	U3	323.4	310.9	354.9	348.1	357.3	358.6	353.7
	R3	319.0	304.7	347.6	341.4	344.9	341.9	343.3
	O3	305.0	290.9	329.0	324.2	326.5	326.7	325.9
	AVG	309.8	-	338.8	334.1	338.5	331.2	335.6
Prime Cattle Price Reported		4785	-	6980	6451	5433	3933	22797
Cows	O3	263.9	256.0	261.6	257.4	245.9	246.1	253.4
	O4	265.7	256.3	268.9	258.2	258.1	248.2	258.3
	P2	226.5	228.2	203.8	212.7	217.9	205.7	207.9
	P3	247.2	246.1	222.3	232.1	227.8	227.3	227.1
	AVG	231.0	-	254.9	233.4	230.0	212.0	231.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=80.24p 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

W/E 17/11/12	1st QUALITY From	1st QUALITY To	1st QUALITY Average	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Average
Finished Cattle (p/kg)						
Steers	185	212	190	165	184	176
Friesians	140	167	150	112	139	125
Heifers	183	213	196	165	182	178
Beef Cows	150	200	170	125	149	137
Dairy Cows	115	134	124	90	114	102
Store Cattle (p/kg)						
Bullocks up to 400kg	180	207	195	160	179	170
Bullocks 400kg - 500kg	190	212	200	165	189	178
Bullocks over 500kg	190	209	200	170	189	180
Heifers up to 450kg	186	210	198	153	185	168
Heifers over 450kg	180	203	191	150	179	164
Dropped Calves (£/head)						
Continental Bulls	250	400	325	150	248	200
Continental Heifers	170	320	225	100	168	135
Friesian Bulls	100	200	130	20	98	50
Holstein Bulls	70	150	100	2	68	35

SHEEP TRADE

LAMB QUOTES (P/Kg DW)	This Week 19/11/12	Next Week 26/11/12
NI Factories	335p	335p
ROI Factories	330p	335p

Notes: (i)Lambs up to 22kg
(ii)ROI prices converted at 1 euro=80.24p Stg

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 03/11/12	W/E 10/11/12	W/E 17/11/12
NI Liveweight	287.7p	294.3p	300.1p
NI Deadweight	327.1p	322.0p	330.0p
ROI Deadweight	333.4p	n/a	329.9p
GB Deadweight	356.9p	361.1p	362.1p

Deadweight Sheep Trade

QUOTES from the plants for R3 grading lambs this week have remained at 335p/kg with similar quotes expected for Monday. The plants are reporting good supplies of lambs with 9,454 lambs slaughtered last week. However this was 1,300 fewer lambs than the previous week. This takes the total throughput to 332,951 lambs for the year to date, 47 per cent ahead of the same period last year. Exports to ROI for direct slaughter last week were back 1,400 on the previous week to 10,825 lambs with exports for the year to date, 10 per cent behind the same period last year. The NI deadweight price last week was up 8p/kg to 330p/kg while the GB deadweight price increased by 1p/kg to 362.1p/kg.

This week's marts

THERE was a steady trade across the marts this week with many of the marts seeing an increase in the number of lambs passing through the sale ring. In Kilrea on Monday 310 lambs sold from 290-310p/kg (av 298p/kg) compared to 250 last week selling from 290-300p/kg (av 293p/kg) while in Saintfield on Tuesday lambs sold from 293-317p/kg (av 298p/kg) compared to lambs last week selling from 294-320p/kg (av 303p/kg). A large entry of 1,941 lambs in Ballymena on Wednesday sold to an average of 298p/kg compared to 1,409 lambs last week selling to an average of 299p/kg. The trade for cull ewes remains strong with well fleshed ewes selling to a top of £65-82 across the marts.

LATEST SHEEP MARTS

From: 16/11/2012 To: 22/11/2012		Lambs (P/KG LW)			
		No.	From	To	Average
Saturday	Omagh	1300	282	317	-
	Donemana	624	292	321	307
	Hilltown	500	283	318	290
Monday	Kilrea	310	290	310	298
	Massereene	1064	300	322	-
Tuesday	Saintfield	650	293	317	298
	Rathfriland	738	282	323	298
	Armoy	344	292	316	301
Wednesday	Ballymena	1941	278	312	298
	Enniskillen	484	294	327	310
	Markethill	650	288	315	299
	Newtownstewart	202	294	317	298

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