LMC BULLETIN

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PRIME KILL CONFORMATION UPDATE OCTOBER-DECEMBER 2012

AS outlined in last week's bulletin prime cattle slaughterings in NI during the last quarter of 2012 totalled 90,144 head. This is an increase of 2,289 head on the same period in 2011, accounting for a 2.6 per cent increase year on year. It should however be noted that, despite the increase, the throughput of prime cattle was still 3,000 head less than throughput in the final quarter of 2010 when 93,093 head of prime cattle were slaughtered.

When considering this slight improvement in prime cattle numbers between the final quarters of 2011 and 2012 it is useful to also consider the conformation of the animals being presented for slaughter. An analysis of price report statistics for the final quarter of 2012 shows that the proportion of the price reported prime kill falling within in each conformation grade is very similar to the final quarter of 2011 with a decrease in the average carcase weight by 0.8kg as outlined in Table 1. In the period October-December 2012 the proportion of price reported prime cattle sourced from the suckler herd increased slightly to 62 per cent with the remaining 38 per cent made up of animals sourced from the dairy herd. The most notable change is a one per cent decrease in the proportion of R grading prime cattle carcases to account for 38.8 per cent of all price reported prime cattle. The proportion of E, O and P grades were up slightly

If we consider the prime kill on the basis of its source, i.e. from the dairy or suckler herd, then the conformation statistics are also very consistent between the two quarters. The proportion of prime cattle within each conformation grade from the suckler herd in the final quarter of 2012 is within one percentage point of the proportion within each conformation grade in the final quarter of 2011. The same trend has occurred if we consider the conformation of dairy origin cattle between the two periods in question. Figures 1 and 2 outline the proportion of prime cattle within each conformation grade in the final quarter of 2012 for suckler and dairy bred animals respectively.

One change that should however be considered is that suckler origin carcases have got slightly lighter between quarter four 2011 and quarter four 2012 (-0.4kgkg to 351.5kg). Dairy origin carcases have also got lighter (-3.3kg to 298.9kg). One potential reason for the lighter dairy origin carcases is the poor grass growing conditions of summer 2012 having a negative effect on animal performance and resulting in cattle being housed for finishing at lower live-weights. The higher feed costs may also have discouraged producers from feeding dairy origin cattle where margins are very thin.

If we consider the classification results for steers and heifers in the total price reported prime kill the proportion of animals within each conformation grade was almost unchanged with average carcase weights also being fairly similar when comparing the final quarter of 2011 and final quarter of 2012.

However if we compare the conformation statistics for young bulls between the final quarter of 2011 with the same period in 2012 the proportion of young bulls awarded a U grade has increased from 17 per cent in 2011 to 20.7 per cent in 2012. The proportion of R grading animals has meanwhile declined by 1.3 per cent to 28.4 per cent between the two years while the proportion of O and P grades have decreased by 1 and 2 per cent respectively. These shifts in conformation have been accompanied by an increase in the average young bull carcase weight by 7.6kg.

There has however been a slight increase in the proportion of the young bull kill sourced from the suckler herd between the two periods. In the period October-December 2011 46.6 per cent of the young bull kill was suckler origin and in the same period in 2012 this increased to 51.8 per cent. This may go some way to explain the increase in average carcase weights for all young bulls as the increased continental genetics in the suckler herd will markedly increase average carcase size.

However if we consider the young bull kill by its source, i.e. the suckler and dairy herds, both have shown an increase in average carcase weights between the two periods. The average suckler carcase weight increased by 2.4kg to 377.8kg and the average dairy origin carcase weight increased by 3.1kg to 270.8kg. At present there is a 10p/kg penalty for young bulls over 16 months of age across the plants although there may be some variance in how stringently this penalty has been applied during periods of low supplies or where forward deals have been struck. It is important that when considering young bull beef production that you have the right systems in place to do this safely and properly and that you have a market outlet for the bulls.

While bulls are more efficient than steers due to better food conversion rates and their ability to maintain higher conversion rates for longer it is important that producers realise that feeding animals into heavier carcases does not necessarily mean higher levels of profit. It is often the case that the cost of increasing carcase weights by 1kg is more than the value of the 1kg of beef. This is true regardless of whether producers are finishing young bulls, steers or heifers. A strong relationship between producers and processors is essential to ensure cattle coming forward for slaughter meet market specifications and that profit margins are maximised at the farm gate.

* Please consult the Market Information Section of the LMC Website for a summary of Conformation and Fat Class for Quarter 4 2012. www.lmcni.com

Table 1: Conformation Analysis of Total Prime Kill October-December 2012

Year	E	U	R	O	P	Avg Cold Wt (kg)
2011	0.3%	16.8%	39.9%	31.3%	11.7%	334.4
2012	0.5%	16.8%	38.8%	31.8%	12.1%	333.6

Figure 1: Conformation Analysis of Suckler Origin Prime Kill October-December 2012

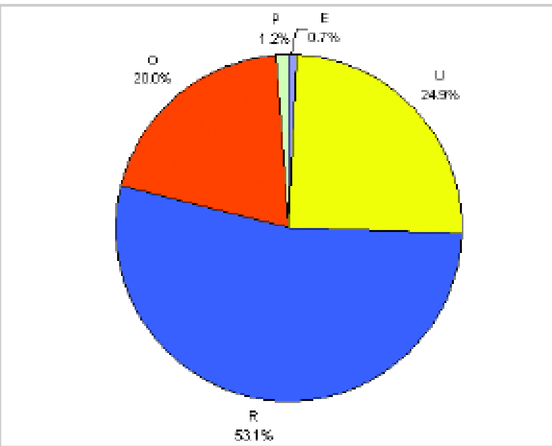
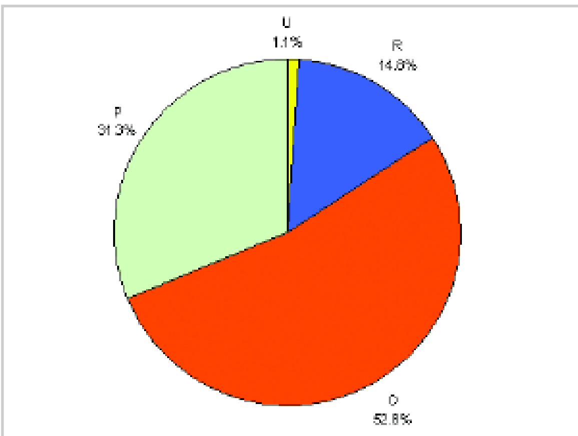


Figure 2: Conformation Analysis of Dairy Origin Prime Kill October-December 2012



NI Beef Industry Key Performance Indicators (December Snapshot)	Dec-11	Dec-12	% Change
Finished Cattle Prices (p/kg)			
Average Prime Cattle Price	316.6	327.2	+3.3%
Average Cow Price	245.6	240.8	-2.0%
Average R3 Steer Price (NI)	325.6	336.0	+3.2%
Average R3 Steer Price (ROI)	324.9	315.9	-2.8%
Average R3 Steer Price (GB)	338.9	367.3	+8.4%
Slaughterings			
Total Clean Slaughterings (Head)	24,783	26,807	+8.2%
Total Cow Slaughterings (Head)	7,149	7,900	+10.5%
Average Clean Carcase Weight (kg)	342.6	339.7	-0.8%
Average Cow Carcase Weight (kg)	298.7	291.5	-2.4%
Trade (Head)			
Live Imports for Direct Slaughter	1,587	2,781	+75.2%
Live Exports for Direct Slaughter	1,114	1,712	+53.7%
Availability (Head)			
No. Cattle on the Ground*	385,884	394,068	+2.1%
Beef Sired	342,598	346,515	+1.1%
Dairy Sired (Male Only)	43,286	47,553	+9.9%
Calf Births Registrations (Head)			
Calf Births	20,149	18,791	-6.7%
Beef Sired	12,382	11,933	-3.6%
Dairy Sired (Male Only)	7,767	6,858	-11.7%
Euro / Stg Exchange Rate (€ / £)	84.4	81.2	-3.7%
* Aged between 12-30 mths (Beef + Dairy Male Only)			
All NI Figures Unless Otherwise Stated			

FQAS LIAISON OFFICER MART CLINICS TIMETABLE

Omagh	Monday	14/01/2013
Saintfield	Wednesday	16/01/2013

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WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 07/01/13	Next Week 14/01/13
Prime		
U-3	328-332p	328-334p
R-3	322-326p	322-328p
O+3	316-320p	316-322p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	260-275p	260-275p
Steakers	180-245p	180-245p
Blues	160-180p	160-180p

REPORTED NI CATTLE PRICES - P/KG

W/E 05/01/13	Steers	Heifers	Young Bulls
U-3=	338.0	346.8	330.4
U=3=	340.6	347.5	332.0
U=4=	334.7	338.4	-
R=3=	338.8	344.3	328.8
R=4=	339.4	338.0	-
O+3=	334.5	331.9	316.9
O=3=	327.1	322.0	314.4
Average	329.2	334.3	321.0

REPORTED COW PRICES NI W/E 05/01/13

Grades	Price (p/kg)	Avg Wgt
O+3=	279.4	338.6
O-3+	262.8	314.0
P+2+	247.2	286.2
P+3+	251.8	295.1
P-1-	171.9	220.6

COMMODITIES

COMMODITY PRICE

W/E 05/01/13	Price (£) per tonne / 1000litre	% weekly change
Barley	207.50	-2.4%
Wheat	222.50	-2.4%
Soya	486.00	-3.2%
Straw	16.00	-
Red Diesel	715-750	-

* Table shows the latest available commodity data in NI

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle are 328-334p/kg with the majority of plants are quoting 330-332p/kg for steers and 332-334p/kg for heifers. There are however reports of higher base quotes being available, especially for in spec cattle. The average price paid for U-3 grade heifers last week was 346p/kg. Assuming that all of these heifers qualified for the 8p/kg bonus, which is unlikely, the average price paid was still 6p/kg higher than last week's highest base quote for heifers of 332p/kg would suggest.

Reports from the plants have indicated that prime cattle numbers have started to tighten slightly with throughput in the plants last week totalling 5,661 head. A total of 409 prime cattle were imported from ROI last week for direct slaughter. This is well below the level of imports seen late in 2012 and accounted for 7.2 per cent of the total prime kill. Meanwhile a total of 233 cattle were exported out of NI last week for direct slaughter with 121 head exported to GB and 112 head exported to ROI.

The average steer price in NI last week was down 3.2p/kg to 329.2p/kg while the heifer price was back 1.8p/kg to 334.3p/kg. In the same week last year average steer and heifer prices in NI were 321.9p/kg and 322p/kg respectively. Meanwhile in GB the average steer price last week was up 2.1p/kg to 368.5p/kg while the heifer price was back 2.7p/kg to 364.6p/kg. This change was fairly indicative of trade across the regions with the majority of regions showing an increase in average steer prices and a decline in average heifer prices.

Despite the average heifer prices being back in the majority of GB regions the R3 heifer price increased by 1.4p/kg 368.3p/kg last week. The R3 steer price meanwhile increased by 1.6p/kg to 370.8p/kg. The price differential between NI and the average GB price for R3 grade steers last week was 32.8p/kg. For R3 heifers the differential last week was 26.2p/kg.

The R3 steer price in ROI last week increased by 1.7p/kg in sterling terms to 323.2p/kg while the heifer price was back 1.2p/kg to 337.8p/kg.

This week's Marts

FINISHED first quality steers sold to an average of 199p/kg this week with second quality finished steers selling to an average of 177p/kg. Meanwhile first quality heifers sold in the range of 184-207p/kg (avg 192p/kg) with second quality lots selling from 160-183p/kg (avg 171p/kg). The strong trade for cull cows has continued with well fleshed first quality continental type cows selling to a top of 182p/kg (avg 163p/kg). First quality dairy type cows sold to an average of 125p/kg with second quality selling to an average of 97p/kg.

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

W/E 05/01/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	339.5	331.6	375.8	376.9	381.7	376.2	378.1
	R3	338.0	323.2	372.9	373.0	367.1	370.2	370.8
	R4	335.5	323.1	378.5	377.6	372.5	370.5	375.8
	O3	326.4	310.6	361.0	360.9	348.5	345.6	355.5
	AVG	329.2	-	375.1	369.7	365.5	358.7	368.5
Heifers	U3	346.2	347.9	376.3	376.1	382.6	380.2	378.7
	R3	342.1	337.8	369.5	371.3	367.0	364.2	368.3
	R4	337.8	337.8	372.3	369.6	369.6	364.2	369.6
	O3	328.4	322.8	347.0	352.0	350.2	344.3	348.1
	AVG	334.3	-	370.2	366.4	364.3	353.7	364.6
Young Bulls	U3	332.2	326.1	367.3	359.9	369.8	372.8	366.9
	R3	328.4	322.4	355.3	350.5	356.5	359.2	355.2
	O3	314.1	311.8	338.9	332.0	336.8	340.1	336.6
	AVG	321.0	-	349.1	336.1	348.7	342.0	344.1
Prime Cattle Price Reported		4033	-	4316	4567	4318	2837	16038
Cows	O3	268.6	270.9	278.0	268.6	272.0	258.6	268.6
	O4	272.3	273.2	283.5	273.6	277.3	262.1	273.4
	P2	226.8	247.9	213.1	223.2	221.9	202.5	212.6
	P3	247.6	262.3	248.2	248.8	247.4	232.5	242.5
	AVG	247.0	-	274.9	249.5	266.3	228.4	252.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=81.34p 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 05/01/13	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	190	216	199	165	189	177
Friesians	150	171	160	128	147	137
Heifers	184	207	192	160	183	171
Beef Cows	156	182	163	120	155	137
Dairy Cows	115	143	125	80	114	97
Store Cattle (p/kg)						
Bullocks up to 400kg	No Sale					
Bullocks 400kg - 500kg						
Bullocks over 500kg						
Heifers up to 450kg						
Heifers over 450kg						
Dropped Calves (£/head)						
Continental Bulls	260	440	305	150	250	200
Continental Heifers	170	270	230	100	168	135
Friesian Bulls	140	225	165	50	138	92
Holstein Bulls	80	150	105	2	78	40

SHEEP TRADE

HOGGET QUOTES		
(P/Kg DW)	This Week 07/01/13	Next Week 14/01/13
NI Factories	330p	320 - 330p
ROI Factories	330p	330p

Notes: (i)Hoggets up to 22kg
(ii)ROI prices converted at 1 euro=81.34p Stg

REPORTED LAMB/HOGGET PRICES - P/KG			
(P/KG DW)	W/E 22/12/12	W/E 29/12/12	W/E 05/01/13
NI Liveweight	292.4p	280.4p	291.0p
NI Deadweight	321.9p	322.9p	317.4p
ROI Deadweight	335.3p	322.5p	334.9p
GB Deadweight	339.8p	338.9p	334.2p

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grading hoggets are 320-330p/kg. Plants are reporting good supplies of sheep to meet demand with 6,274 hoggets slaughtered last week. A total of 11,802 hoggets were exported to ROI last week for direct slaughter, 2000 head more than the corresponding week in 2012. The average deadweight price in NI last week was 317.4p/kg, a reduction of 5.5p/kg on the previous week. Meanwhile there have been reports of a sticky sheep market in GB with base quotes in some plants of 320p/kg. The deadweight hogget price in GB last week was back 4.7p/kg to 334.2p/kg. The differential between NI and GB deadweight prices has narrowed to 17p/kg in recent weeks.

This week's marts

TRADE across the marts this week has shown a slight improvement on previous weeks. In Massereene on Monday 702 hoggets sold from 290-317p/kg compared to 1102 hoggets last week selling from 285-310p/kg. The trade in Enniskillen this week was also slightly improved on last week with average prices up 4p/kg to 302p/kg and hoggets selling from 290-320p/kg. In Markethill on Wednesday 520 hoggets sold from 290-312p/kg compared to 425 hoggets last week selling from 287-310p/kg. In Markethill this week first quality cull ewes sold from £60-74 with a similar trade reported elsewhere

LATEST SHEEP MARTS					
From: 05/01/13 To: 10/01/13		Hoggets (P/KG LW)			
		No.	From	To	Average
Saturday	Omagh	767	290	319	-
	Hilltown	550	300	325	304
	Newtownstewart	70	290	306	296
Monday	Kilrea	520	290	313	298
	Massereene	702	290	317	-
Tuesday	Saintfield	805	280	308	298
	Rathfriland	687	282	323	298
	Armoy	326	290	318	301
Wednesday	Enniskillen	384	290	320	302
	Ballymena	1645	275	304	285
	Markethill	520	290	312	296

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