LMC BULLETIN

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PRIME KILL FAT CLASS UPDATE OCTOBER-DECEMBER 2012

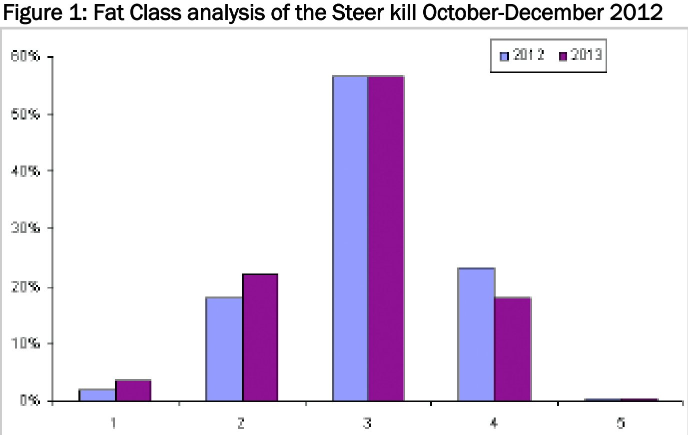
REPORTS from the major processors over the last quarter of 2012 have indicated an increase in the proportion of under finished prime cattle being slaughtered across the plants. To confirm this the classification statistics for the final quarter of 2012 have shown a slight increase in the proportion of steers and heifers being slaughtered at a fat class one or two when compared to the corresponding period in 2011.

In the final quarter of 2011 12.9 per cent of price reported heifers were awarded a fat class one or two and in the same quarter in 2012 this had increased by 2.5 percentage points to 15.4 per cent. Meanwhile the proportion of heifers awarded a fat class three has increased by 1.6 percentage points between the two periods to account for 47.1 per cent of the heifer kill in the final quarter of 2012. The proportion of heifers killed at a fat class four was back 3.9 percentage points to 35.6 per cent in the final quarter of 2012.

If we consider the steer kill then it has followed a similar pattern to the heifer kill with an increase in the number of animals awarded a one or two for fat cover as indicated in Figure 1. In the final quarter of 2011 19.9 per cent of steers were either one or two for fat cover and in the same period in 2012 this had increased to 25.5 per cent. The proportion of steers awarded a fat cover of four showed the biggest change between the two periods, down 5.3 percentage points to 17.9 per cent in the final quarter of 2012. Meanwhile the proportion of steers awarded a three for fat cover was almost unchanged at 56.4 per cent.

However when we compare the young bull kill between the two periods in question there has been an improvement in the fat covers of young bulls as shown in Table 1. The proportion of young bulls awarded a one for cover was back 6.5 percentage points to 10.7 per cent while the proportion awarded a two for fat cover was back 3.5 percentage points to 44.4 per cent. Meanwhile the proportion of young bulls in the final quarter of 2012 with a fat cover three increased by 8.1 percentage points to account for 41.0 per cent of the total young bull kill.

Figure 1: Fat Class analysis of the Steer kill October-December 2012



As discussed in last week's bulletin the proportion of the young bull kill sourced from the suckler herd has increased when comparing the final quarter of 2012 with the final quarter of 2011. In quarter four 2011 46.6 per cent of the young bull kill was sourced from the suckler herd and in the final quarter of 2012 this had increased to 51.8 per cent. The shift in the genetic make up of the young bull kill is one possible reason for the changes observed in the fat cover statistics but it is also possible that producers have altered production practices to improve the fat cover on young bull carcases.

If we look at the prime kill in respect of its source, i.e. suckler and dairy origin cattle, there are also changes in the proportion of cattle within each fat class when comparing the final quarter of 2012 with the same period in 2011. Figures 2 and 3 show the break down of the fat class allocation for suckler and dairy origin cattle in October-December 2012.

The proportion of suckler origin prime cattle awarded a one or two for fat class totalled 18.6 per cent in October-December 2011 and in the same period in 2012 this had increased by 2.5 percentage points to 21.2 per cent. The proportion of suckler origin prime cattle awarded a three for fat cover has increased by 1.9 percentage points between the two periods, accounting for 53.3 per cent of the suckler origin kill in the final quarter of 2012. The proportion of suckler bred animals killed at fat class four declined by 4.3 percentage points between the two periods to 24.5 per cent in the final quarter of 2012.

Cattle sourced from the dairy herd tend to tend to have lower fat cover than suckler origin cattle due to their genetics and as a result a larger proportion of dairy origin cattle have lower fat cover than their suckler counterparts. In the final quarter of 2011 36.9 per cent of dairy origin prime cattle were fat class one and two. In the same period in 2012 this increased to 39.9 per cent, an increase of 3 percentage points year on year. The proportion of dairy origin cattle with a fat class three was almost unchanged at 44.5 per cent in the final quarter of 2012 while the proportion achieving fat class four was back 2.7 percentage points to 15.1 per cent of the dairy origin kill.

* 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

Figure 2: Fat Class Analysis of Suckler Origin Prime Kill October-December 2012

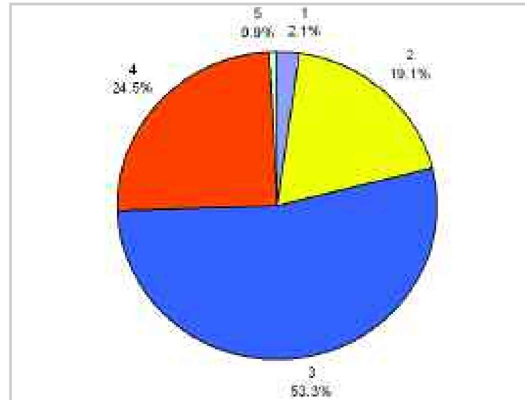


Figure 3: Fat Class Analysis of Dairy Origin Prime Kill October-December 2012

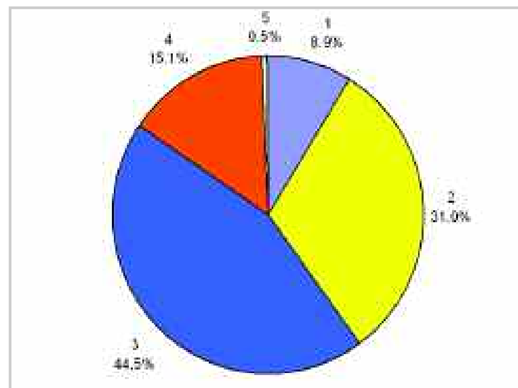


Table 1: Fat Class Analysis of Young Bull Kill October-December 2012

Year	1	2	3	4	5
2012	17.2%	47.9%	32.9%	2.0%	0.0%
2013	10.7%	44.4%	41.0%	3.9%	0.0%

FQAS LIAISON OFFICER MART CLINICS TIMETABLE

Markethill	Tuesday	22/01/2013
Ballymena	Friday	25/01/2013
Kilrea	Wednesday	30/01/2013

NI Sheep Industry Key Performance Indicators (December Snapshot)

FOR the month of December 2012 NI sheep producers received an average deadweight price of 321.8p/kg. This is 91.3p/kg lower than the average price in December 2011 and represents a 22.2 per cent reduction in deadweight lamb prices.

Meanwhile average deadweight prices in GB in December 2012 were back by 109.8p/kg on December 2011 prices (-24 per cent) but were still 26.5p/kg above the NI price at 348.3p/kg. In ROI deadweight lamb prices were back the equivalent of 66.3p/kg to 329.4p/kg in December 2012. Deadweight prices in ROI in December 2012 were 7.6p/kg higher than the average NI deadweight price.

Total lamb and hogget slaughterings in NI during December 2012 were 32.3 per cent ahead of December 2011 at 31,770 head. Average carcase weights in December 2012 were 21.8kg, a 0.4kg reduction on December 2011. Meanwhile ewe and ram slaughterings also showed an increase, up 12.8 per cent to 2,758 head in December 2012. Meanwhile average carcase weights were back 0.6kg to 27.1kg in December 2012.

A total of 48,588 lambs were exported to ROI for direct slaughter during December 2012. This is a 29.3 per cent increase on December 2011 with an additional 11,006 lambs being exported for direct slaughter.

	Dec-11	Dec-12	% Change
Sheep Prices (p/kg)			
Average Deadweight Price	413.1	321.8	-22.2%
Average Liveweight Price	376.5	290.0	-23.0%
Average Weekly Price **(GB)**	458.1	348.3	-24.0%
Average Weekly Price **(ROI)**	395.7	329.4	-16.6%
Slaughterings			
Total Hoggets & Lambs Slaughterings (Head)	24,009	31,770	+32.3%
Total Ewes & Rams Slaughterings (Head)	2,444	2,758	+12.8%
Average Hogget & Lambs Carcase Weight (kg)	22.2	21.8	-1.8%
Average Ewe & Rams Carcase Weight (kg)	27.7	27.1	-2.4%
Trade (Head)			
Live Imports for Direct Slaughter	0	0	0%
Live Exports for Direct Slaughter	37,582	48,588	+29.3%
All NI Figures Unless Otherwise Stated			

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 14/01/13	Next Week 21/01/13
Prime		
U-3	328-334p	330-336p
R-3	322-328p	324-330p
O+3	316-322p	318-324p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	260-275p	260-285p
Steakers	180-245p	180-255p
Blues	160-180p	160-190p

REPORTED NI CATTLE PRICES - P/KG

W/E 12/01/13	Steers	Heifers	Young Bulls
U-3=	342.1	345.6	334.5
U=3=	341.7	349.7	335.0
U=4=	325.9	344.3	-
R=3=	339.6	342.3	328.0
R=4=	338.1	340.2	324.0
O+3=	334.8	334.0	321.5
O=3=	325.6	321.3	314.5
Average	329.8	333.8	320.9

REPORTED COW PRICES NI W/E 12/01/13

Grades	Price (p/kg)	Avg Wgt
O+3=	281.8	333.8
O-3+	263.4	295.4
P+2+	249.9	291.2
P+3+	254.3	304.3
P-1-	174.2	217.5

COMMODITIES

COMMODITY PRICE

W/E 12/01/13	Price (£) per tonne / 1000litre	% weekly change
Barley	210.00	+1.20
Wheat	22.50	-0.89
Soya	479.00	-1.44
Straw	16.00	-
Red Diesel	715-750	-

* Table shows the latest available commodity data in NI

Deadweight Cattle Trade

BASE quotes from the plants this week for U-3 grade prime cattle range from 330-336p/kg. Two plants are quoting 330p/kg for steers with the remainder quoting 332-334p/kg while 332-336p/kg is being quoted for heifers. There have been some concerns that the recent incident involving horse and pig DNA found in beef products could have affected trade for beef but base quotes remained steady and actually increased to 336p/kg mid week. The quotes for cows have also increased and are now within the range of 260-285p/kg for good quality cows.

The prime kill last week totalled 6,769 head, an increase of 1,100 head on the previous week and 470 head more than the corresponding week in 2012. Meanwhile the cow kill last week totalled 2,199 head, an increase of 515 head on the previous week.

The average steer price in NI last week was up slightly to 329.8p/kg while the average heifer price was back slightly at 333.8p/kg. The average U-3 heifer price last week was 346.2p/kg. If we assume the heifers were all paid at the quote of 334p/kg and all received the 8p/kg bonus then average prices are still 4.2p/kg above what the quoted price would suggest. Producers should keep this in mind when negotiating a price with processors.

Trade across the other GB regions last week was generally back on the previous week with GB average R3 steer and heifer prices back in the region of 1.5p/kg to 369.2p/kg and 366.8p/kg respectively. The differential between NI and GB R3 prices last week was 29.2p/kg for steers and 24.1p/kg for heifers. Meanwhile the GB average price for young bulls last week was back 2p/kg to 342.1p/kg, 21.2p/kg higher than the average price in NI.

Prices in ROI last week showed an improvement on the previous week with the all reported grades of prime cattle showing an increase in sterling terms. The R3 steer price increased by the equivalent of 5.1p/kg to 328.3p/kg while the R3 heifer price increased by 4.8p/kg to 342.6p/kg. The R3 steer price in ROI last week was 12p/kg behind the NI price while the R3 heifer prices in NI and ROI were within a fraction of a penny of each other.

This week's Marts

THE trade for finished cattle has remained firm across the marts with first quality steers selling from 191-213p/kg (av 197p/kg) compared to a price range last week of 190-216p/kg (av 199p/kg). The trade for second quality steers was also similar to last week with lots selling to an average of 176p/kg. A similar trend can be observed for finished heifers across the marts.

Store cattle continue to be a good trade with bullocks up to 400kg selling to an average of 202p/kg, with second quality animals in the same weight range selling to 180p/kg. Heifers up to 450kg sold to a top of 195p/kg with first quality heifers selling to an average of 187p/kg.

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

W/E 12/01/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	341.6	336.5	376.5	375.7	382.3	374.4	378.0
	R3	340.0	328.3	372.5	371.4	368.3	362.0	369.2
	R4	336.6	328.3	378.1	378.2	367.3	365.0	373.9
	O3	327.2	314.8	360.9	360.5	352.0	344.1	355.5
	AVG	329.8	-	374.3	369.2	363.1	353.8	366.5
Heifers	U3	347.9	352.4	376.6	375.6	380.9	373.4	377.3
	R3	342.7	342.6	370.5	367.2	367.8	358.5	366.8
	R4	340.4	341.5	372.8	368.8	366.8	362.8	368.7
	O3	326.4	326.7	352.1	350.6	349.8	347.4	350.2
	AVG	333.8	-	369.7	363.6	363.4	352.1	363.4
Young Bulls	U3	334.2	331.3	361.8	354.4	370.1	365.7	361.2
	R3	328.5	327.1	351.5	347.0	358.7	350.9	352.2
	O3	314.1	316.6	338.3	331.1	335.9	343.8	335.3
	AVG	320.9	-	341.9	337.9	346.8	344.7	342.1
Prime Cattle Price Reported		5285	-	7160	6301	5249	3764	22474
Cows	O3	273.0	273.0	275.8	268.6	271.5	249.7	265.3
	O4	275.8	275.7	278.7	269.9	273.3	255.7	268.2
	P2	231.0	245.6	220.0	224.2	216.9	200.5	213.7
	P3	253.4	264.6	244.2	250.4	236.2	224.0	239.3
	AVG	251.0	-	264.6	248.2	261.0	222.0	245.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=81.63p 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 12/01/13	1st QUALITY From	To	Average	2nd QUALITY From	To	Average
Finished Cattle (p/kg)						
Steers	191	213	197	162	190	176
Friesians	145	174	153	120	144	132
Heifers	185	210	190	160	184	172
Beef Cows	165	198	174	120	164	140
Dairy Cows	116	139	122	80	115	98
Store Cattle (p/kg)						
Bullocks up to 400kg	190	215	202	170	189	180
Bullocks 400kg - 500kg	185	209	197	165	184	175
Bullocks over 500kg	183	205	196	160	182	171
Heifers up to 450kg	180	195	187	150	179	167
Heifers over 450kg	175	185	180	145	174	160
Dropped Calves (£/head)						
Continental Bulls	200	280	225	120	198	160
Continental Heifers	175	300	220	90	170	130
Friesian Bulls	120	205	140	50	118	85
Holstein Bulls	60	140	100	5	58	35

SHEEP TRADE

HOGGET QUOTES		
(P/Kg DW)	This Week 14/01/13	Next Week 21/01/13
NI Factories to 22kg	315p	315p
ROI Factories	330p	

Notes: (i)Hoggets up to 22kg
(ii)ROI prices converted at 1 euro=81.63p Stg

REPORTED LAMB/HOGGET PRICES - P/KG			
(P/KG DW)	W/E 29/12/12	W/E 05/01/13	W/E 12/01/13
NI Liveweight	280.4p	291.0p	290.2p
NI Deadweight	322.9p	317.4p	325.0p
ROI Deadweight	322.5p	334.9p	333.9p
GB Deadweight	338.9p	334.2p	332.6p

Deadweight Sheep Trade

BASE quotes from the plants for R3 grading lambs came back to 315p/kg early in the week, down from the 320-330p/kg available last week but a slight strengthening in the euro this week may help trade. Similar quotes are expected for Monday. Plants are reporting some difficulty in selling lamb due to competition from the GB market where deadweight lamb prices have come under pressure in recent weeks. Deadweight prices in NI last week were 7.6p/kg higher than the previous week at 325.0p/kg while prices in GB were back 1.6p/kg to 332.6p/kg. This has reduced the differential between NI and GB to 7.6p/kg. Throughput in the plants last week totalled 8,289 head compared to 5,670 in the same week last year, an increase of 46.2 per cent. Exports to ROI have continued at similar levels with 10, 941 hoggets exported to ROI for direct slaughter last week.

This week's marts

TRADE across the marts this week has generally been back on the previous week. In Kilrea on Monday 500 hoggets sold to an average of 288p/kg compared to 520 last week selling to an average of 298p/kg. In Saintfield on Tuesday 534 hoggets sold from 279-295 (av 286p/kg) compared to 805 hoggets last week selling from 280-308p/kg (av 298). In Enniskillen on Wednesday trade was similar to previous weeks with 286 hoggets selling to an average of 300p/kg compared to 384 hoggets last week selling to 302p/kg. The top prices available across the marts for cull ewes were between £70-85.

LATEST SHEEP MARTS

From: 12/01/13 To: 17/01/13		Hoggets (P/KG LW)			
		No.	From	To	Average
Saturday	Omagh	899	276	299	-
	Hilltown	380	280	295	289
	Donemana	484	268	302	287
Monday	Kilrea	500	270	300	288
	Massereene	861	285	317	-
Tuesday	Saintfield	534	279	295	286
	Rathfriland	542	279	308	291
	Armoy	238	280	304	294
Wednesday	Enniskillen	286	283	309	300
	Ballymena	1087	265	291	282
	Markethill	500	285	300	294
Thursday	Downpatrick	180	270	288	280

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