LMC BULLETIN

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SHEEP MARKET UPDATE: SPRING 2013

THE latest available retail data from Kantar has indicated a strong increase in lamb sales in GB during the four week period ending the 17 February 2013 when compared to the same period in 2012. Expenditure on lamb increased by 21 per cent to £56 million when comparing the two periods with the volume of lamb sold increasing by 44 per cent to 7,246 tonnes.

Much of this increase in lamb purchases when comparing the two four week periods has been driven by strong promotional activity on lamb during the 2013 period when compared to the previous year. Strong sales of lamb leg roasting joints in particular have increased lamb volume sales with all lamb cuts recording an increase in volume sales between the two periods.

Sales have also been helped by a 16 per cent reduction in the average retail price between the two periods to £7.68/kg which has encouraged consumers to purchase lamb instead of beef or pork. Both beef and pork recorded declines in volume sales when comparing the two periods in question.

This increased demand for lamb at retail has translated into a much needed increase in the prices being paid to producers in recent weeks. Quotes from the plants increased to 440p/kg for hoggets to 22kgs this week.

Deadweight lamb/hogget prices in NI have increased steeply over the last number of weeks with an average deadweight price last week of 420.4p/kg as indicated in Figure 1. However despite the recent increases prices are still behind the same week last year when the average deadweight price was 432.6p/kg. A small number of new season lambs have started to appear across the marts this week and quotes from the plants indicate 540p/kg up to 21kgs.

This increase in quotes and deadweight prices has been welcomed by producers due to the extra costs of finishing hoggets this year. Lambs/hoggets have been slow to finish due to difficult weather conditions during 2012/2013 and this has increased the cost of taking lambs/hoggets through to slaughter.

There have also been reports of under-finished hoggets being presented for slaughter in the meat plants over the last number of months. This can significantly reduce the average deadweight price due to significant penalties in place for carcases lacking adequate cover. Reports from the marts have also indicated that notable numbers of under finished hoggets have been passing through some rings in recent week's which has pulled down average liveweight prices.

The more difficult finishing conditions experienced by producers this year has also resulted in a reduction in average carcase weights. Hoggets slaughtered for the year to date had an average carcase weight of 21.5kg, almost 1kg lighter than the same period last year when the average carcase weight was 22.4kg. Ewe and ram carcase weights have also declined over the same period, down from 28.7kg in the 2012 period to 27.5kg in the 2013 period.

The increasing demand for good quality lambs in the marts and from the processors has seen strong demand for quality lots in recent weeks and this has been helped by a reduction in availability. Figure 2 outlines lamb and hogget slaughterings in NI for January 2011 to March 2013. The number of hoggets being slaughtered in NI declined to 3,285 head last week, 300 fewer than the corresponding week last year and almost half of the number slaughtered in the first week of January 2013

The strong value of the euro against sterling in recent months has made NI hoggets attractive to ROI plants with exports to ROI continuing at strong levels. Last week 11,293 hoggets were exported to ROI for direct slaughter taking total exports for the year to date to 129,835 head. In the same period last year 82,830 hoggets were exported. This represents an increase of 47,005 head between the two periods (+56.7 per cent). The strengthening of the euro against sterling has also made NI and GB lamb much more competitive on the export market than our European competitors which may be a key driver behind the recent price increases.

The latest results from the DARD Agricultural Survey have indicated there was little change in the NI breeding flock between December 2011 and December 2012 with ewe numbers remaining stable at 922,300 head. The number of ewe lambs entering the breeding flock was down by one third compared to the previous year indicating that breeding ewe numbers could ease back in 2013.

While ewe numbers have remained stable there have been some indications from industry that scanning results are back 10-15 per cent on last year's figures which could potentially

Figure 1: Deadweight lamb/hogget prices NI Jan 2011-March 2013 (p/kg)

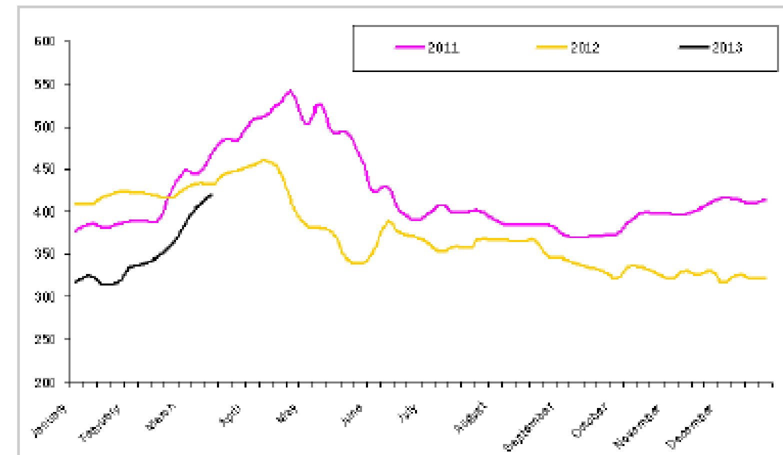
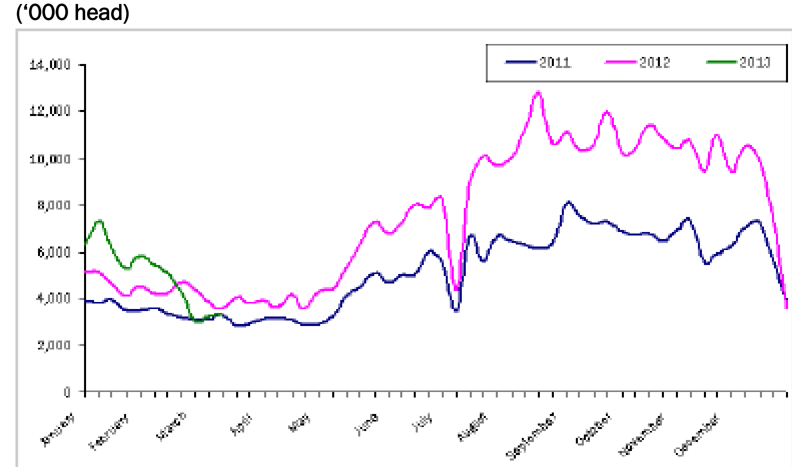


Figure 2: Deadweight lamb/hogget slaughterings NI Jan 2011-March 2013 ('000 head)



lead to a tighter supply of lambs in NI in 2013.

There have been reports of the Schmallenberg virus having a significant impact on lamb numbers in some southern regions of GB this spring with some producers reporting 20-30 per cent lamb mortality. This has the potential to reduce lamb availability in GB later this year with some cases also being reported in the South-east of ROI.

With the main lambing season now getting underway in NI there will be some anxiety with reports that a case of Schmallenberg was confirmed this week in a newly born calf in Co Down.

LMC RED MEAT PROSPECTS CONFERENCE 2013

ON Wednesday 20 March 2013 LMC held its second Red Meat Prospects Conference in Greenmount Agricultural College Co Antrim. The theme of the event was 'Progress Through Partnership' with the aim to inform delegates of the importance of developing partnerships and trust at all levels of the supply chain.

In the morning session delegates heard from a range of speakers from across the agri-food sector who discussed the importance of partnerships in the red meat supply chain and how established and secure commercial relationships can benefit the red meat industry as a whole.

A clear theme throughout the line up of speakers was the importance of developing clear and transparent communication between the different sections of the supply chain.

In the afternoon session delegates received an update on the current beef and sheep markets in GB, NI and ROI. The speakers provided updates on market supply and demand issues, pricing trends and projections for the year ahead across the three regions. The influence of the euro/sterling exchange rate on trade in all the regions was also discussed.

Copies of all the presentations from the day will be available for download shortly from the LMC website or alternatively contact LMC directly to receive a copy.

The conference was also recorded on DVD and copies will be distributed to all those on the LMC quarterly distribution list. If you are not currently receiving this publication and would like to receive a copy of the DVD please contact LMC on 028 9263 3000 or via email on conference@lmcni.com to order your copy.

Image 1: Aodhon O'Donnelll (Consumer Council NI), Ian Stevenson (LMC) and Joe Burke (Bord Bia) at the event on Wednesday in Greenmount

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 18/03/13	Next Week 25/03/13
Prime		
U-3	360-366p	360-366p
R-3	354-360p	354-360p
O+3	348-354p	348-354p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	275-300p	275-300p
Steakers	255-280p	255-280p
Blues	170-185p	170-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 16/03/13	Steers	Heifers	Young Bulls
U-3=	366.3	374.3	358.2
U=3=	363.9	379.3	352.7
U=4=	358.5	370.1	-
R=3=	364.9	372.1	351.4
R=4=	358.8	368.2	350.0
O+3=	363.8	361.3	348.4
O=3=	353.8	356.0	348.9
Average	359.6	362.5	341.1

REPORTED COW PRICES NI W/E 16/03/13

Grades	Price (p/kg)	Avg Wgt
O+3=	308.1	330.4
O-3+	277.9	299.0
P+2+	257.3	288.3
P+3+	266.1	298.0
P-1-	183.9	218.3

COMMODITIES

COMMODITY PRICE

W/E 16/03/13	Price (£) per tonne / 1000litre	% weekly change
Barley	207.00	-1.0
Wheat	225.00	-
Soya	496.00	-
Straw	18.50	-
Red Diesel	725-750	-

* 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 360-366p/kg with the majority of plants quoting 364-366p/kg. The 8p/kg bonus is available for in spec cattle. Top quotes for cows continue to range from 275-300p/kg. Similar quotes are expected for early next week with the plants reporting a steady supply of both prime cattle and cows to meet demand.

The prime cattle kill last week was similar to the previous week with 5,845 head slaughtered. In the same week last year 6,321 cattle were slaughtered, representing a decline of 7.5 per cent year on year. The prime kill for the year to date however is slightly ahead of the same period last year with an additional 650 head slaughtered. The cow kill last week was similar to the previous week with 1,363 head slaughtered bringing the total for the year to date to 19,118. This is nine per cent ahead of the same period last year when 17,409 cows were slaughtered.

The R3 steer and heifer prices in NI last week increased in the region of 2p/kg to 366.5p/kg and 369.8p/kg respectively. The majority of plants were quoting 354-356p/kg for R3 steers and heifers last week and with the 8p/kg bonus for in spec cattle taken into consideration in spec quotes were 362-364p/kg. With average prices above this it is obvious that plants were paying much more for cattle than quotes would suggest. Producers should ensure they get the best deal by shopping around.

Average R3 steer prices in GB last week increased by 4.4p/kg to 387.4p/kg while R3 heifer prices increased by 5.4p/kg to 386.1p/kg. The differential between NI and the GB average R3 steer prices was 20.9p/kg while it was 16.3p/kg for heifers. In monetary terms this equates to a differential of £80 for a 380kg R3 steer carcase and £62 for a 380kg R3 heifer carcase. Strong increases in steer and heifer prices were recorded in Scotland, the Midlands and Northern England last week with average prices up 4-8p/kg. In Southern England the average steer price was down slightly to 372.9p/kg while the average heifer price increased by 2.4p/kg to 370.9p/kg.

Deadweight prices also improved in ROI last week with increases in the prices paid for all reported grades. R3 steer and heifer prices increased in the region of 6p/kg to 360.4p/kg and 377.8p/kg respectively. The R3 heifer price in ROI was 8p/kg ahead of the NI price last week while the R3 steer price was 6p/kg behind the NI price.

This week's marts

Finished first quality steers sold to an average of 217p/kg liveweight this week with second quality selling to an average of 195p/kg. A similar trade for finished heifers saw first quality selling to an average of 216p/kg with second quality selling to an average of 196p/kg. The strong trade for good quality store cattle has also continued across the marts with first quality bullocks up to 400kg selling to 210p/kg with bullocks in the 400-500kg weight range selling to a similar average price (211p/kg). Meanwhile heifers up to 450kg sold to a top price of 229p/kg with first quality selling to an average of 210p/kg and second quality selling to an average of 180p/kg.

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

W/E 16/03/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	367.1	368.2	397.0	397.2	396.2	392.4	396.1
	R3	366.5	360.4	392.1	389.8	385.4	380.5	387.4
	R4	364.2	360.7	394.9	391.3	384.9	380.9	389.3
	O3	355.7	346.0	378.9	375.0	367.8	364.1	372.2
	AVG	359.6	-	392.2	384.8	382.1	372.9	384.1
Heifers	U3	376.4	391.4	396.3	400.6	394.8	388.1	395.4
	R3	369.8	377.8	389.6	385.2	384.8	383.3	386.1
	R4	366.9	377.2	392.2	386.7	383.4	378.5	386.3
	O3	357.6	360.8	374.4	368.9	371.5	364.7	369.8
	AVG	362.5	-	390.2	382.1	381.5	370.9	382.3
Young Bulls	U3	355.6	358.8	381.5	373.5	382.0	387.3	379.1
	R3	353.8	352.7	374.7	365.6	370.1	374.3	369.1
	O3	341.2	342.8	351.4	346.6	355.3	363.0	354.4
	AVG	341.1	-	356.4	351.4	358.4	360.3	356.4
Prime Cattle Price Reported		4796	-	7072	5804	5067	4071	22014
Cows	O3	289.4	298.7	306.5	302.3	302.0	273.3	295.5
	O4	298.0	303.4	312.6	299.9	302.8	286.4	300.1
	P2	240.8	262.9	245.7	250.6	247.7	222.7	239.5
	P3	263.7	290.7	282.2	278.6	269.8	252.6	270.2
	AVG	263.5	-	302.7	278.7	286.9	246.1	276.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.94p 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 16/03/13	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	211	233	217	180	210	195
Friesians	149	178	165	137	147	145
Heifers	209	228	216	185	208	196
Beef Cows	160	197	173	120	159	140
Dairy Cows	115	152	126	90	114	102
Store Cattle (p/kg)						
Bullocks up to 400kg	203	247	210	150	189	180
Bullocks 400kg - 500kg	200	234	211	170	199	184
Bullocks over 500kg	206	223	212	170	205	190
Heifers up to 450kg	195	229	210	166	194	180
Heifers over 450kg	190	243	212	163	189	176
Dropped Calves (£/head)						
Continental Bulls	235	360	265	135	230	180
Continental Heifers	195	300	235	100	190	140
Friesian Bulls	90	160	125	25	88	55
Holstein Bulls	60	130	90	10	55	35

Table shows the latest available commodity data in NI

SHEEP TRADE

HOGGET QUOTES		
(P/Kg DW)	This Week 18/03/13	Next Week 25/03/13
NI Factories	430-440p	440p
ROI Factories	430-440p	440p

Notes: (i)Hoggets up to 22kg
(ii)ROI prices converted at 1 euro=86.94p Stg

REPORTED HOGGET PRICES - P/KG			
(P/KG DW)	W/E 02/03/13	W/E 09/03/13	W/E 16/03/13
NI Liveweight	346.8p	353.6p	381.1p
NI Deadweight	382.9p	406.5p	420.4p
ROI Deadweight	364.8p	410.1p	426.6p
GB Deadweight	370.2p	402.1p	430.2p

Deadweight Sheep Trade

QUOTES from the plants early this week for R3 grading hoggets were 430p/kg and increased to 440p/kg as the week progressed. Similar quotes are expected for Monday with plants continuing to pay up to 22kgs. With the increase in quotes from the NI plants in recent weeks the average deadweight price has also increased. The deadweight price in NI last week was 420.4p/kg, an increase of 14p/kg on the previous week. However a 28p/kg increase in the GB deadweight price to 430.2p/kg has meant GB prices are now ahead of NI prices again. An improved trade in ROI in recent weeks resulted in deadweight prices in ROI last week also increasing, up the equivalent of 28p/kg to 426.6p/kg.

This week's marts

A strong live trade has been reported across the marts this week with average prices showing an increase in many of the marts. In Donemana last Saturday 518 hoggets sold to an average of 407p/kg compared to 384 the previous week selling to an average of 394p/kg. In Kilrea on Monday 800 hoggets sold from 392-448p/kg (av 406p/kg) compared to 650 hoggets last week selling from 380-415p/kg (av 390p/kg). A similar trade to the previous week in Ballymena on Wednesday saw 1502 hoggets selling to an average of 386p/kg. Small numbers of spring lambs are starting to appear across the marts with prices ranging from 450-658p/kg. Well fleshed cull ewes continue to sell well with a top reported price of £113 in Donemana last Saturday.

LATEST SHEEP MARTS

From: 16/03/13 To: 21/03/13		Hoggets (P/KG LW)				Spring Lambs (P/KG LW)			
		No.	From	To	Avg	No.	From	To	Avg
Saturday	Hilltown	400	433	454	439				
	Newtownstewart	80	400	425	405				
	Donemana	518	393	420	407				
Monday	Massereene	1620	390	432					
	Kilrea	800	392	448	406				
Tuesday	Saintfield	810	382	439	400				
	Rathfriland	618	388	436	405	70	500	634	552
Wednes-day	Enniskillen	735	382	420	400				
	Ballymena	1502	370	431	386	143	450	658	480
	Markethill	1100	375	409	384	12	480	510	-

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