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INCREASED RETAIL PRICE DRIVES INCREASE IN EXPENDITURE ON BEEF

THE latest consumer data from Kantar has indicated a three per cent growth in expenditure on beef in the UK during the 52 week period ending 22 June 2014 bringing the total spend during the 52 week period to £2.1 Billion.

This increase in the value of beef sales has occurred despite a five per cent decline in UK volume sales of fresh and frozen beef to 274,581 tonnes during the same period. The increase in expenditure has been driven by an 8 per cent increase in the average price per kg to £7.67 during the 52 week period ending 22 June 2014.

The year on year declines in volume sales of beef has been driven by a 6.7 per cent decline in sales of beef roasting joints and a 14.3 per cent decline in volume sales of beef stewing steak. Meanwhile volume sales of grilling steaks and beef mince were back in the region of two per cent year on year.

Market penetration for beef during the 52 weeks ending 22 June 2014 was similar to the previous 52 week period at 85.5 per cent however there was a five per cent decline in the average weight purchased per household to 12.1kg. This indicates that while similar numbers of consumers continued to buy beef they were doing so in smaller volumes.

However if we look at volume sales during the twelve weeks ending 22 June 2014 sales of beef were one per cent higher than year earlier levels. Roasting joints performed particularly well with volume sales up by 16.1 per cent on year earlier levels while sales of grilling steaks and beef mince were on par with year earlier levels.

Consumer expenditure on beef in the UK during the twelve week period ending 22 June 2014 was five per cent higher than year earlier levels at £460 million. The slight increase in volume sales year on year combined with a four per cent increase in the average retail price to £7.62/kg will have been key factors in this increase in expenditure.

Lamb

Expenditure on lamb in the UK during the 52 week period ending 22 June 2014 totalled £640 million, down two per cent from year earlier levels. As with beef there was a decline in the volumes sold but an increase in the average retail price year on year.

In the 52 weeks ending 22 June 2014 volume sales of lamb in the UK were six per cent lower than year earlier levels at 77,872 tonnes while the average retail price increased by five per cent to £8.22/kg during the same period.

The increase in the average retail price is likely to be a key driver behind the four per cent reduction in household penetration (to 57.5 per cent) and the four per cent decline in average weight purchased per household (to 5.1kg) during the 52 week period ending 22 June 2014. The majority of major lamb cuts recorded notable declines in volume sales between the two periods as outlined in Table 1.

However there has been an improvement in the performance of lamb in the 12 week period ending 22 June 2014 with expenditure up six per cent on year earlier levels to £157 million. With the average retail price per kg back two per cent to £7.66 year on year the increase in expenditure has been driven by an eight per cent increase in volume sales.

Figure 1 : Percentage changes in the volume of UK beef sales by major cuts during the 12 week period ending 22 June 2014 and the corresponding period in 2013

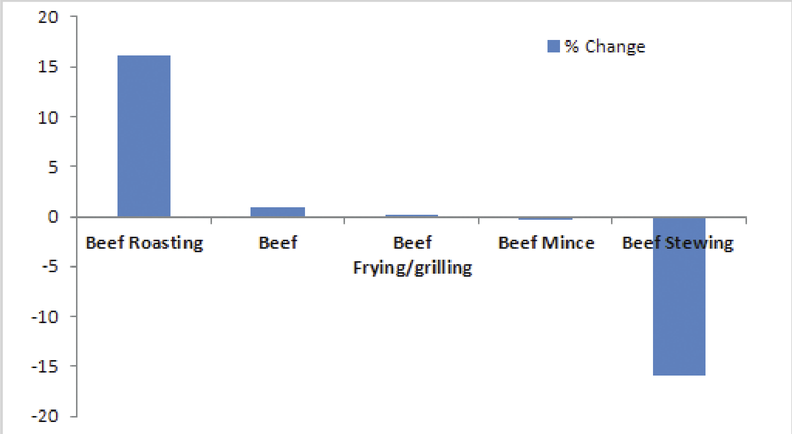


Table 1: Percentage change in volume sales of lamb by major cuts during the 52 week period ending 22 June 2014 and the corresponding period in 2013

Product	% Change
Lamb Mince	+4.4
Lamb	-6.4
Lamb leg roasting	-7.6
Lamb chop steaks	-7.7
Lamb shoulder roasting	-8.8
Lamb stewing	-21.1

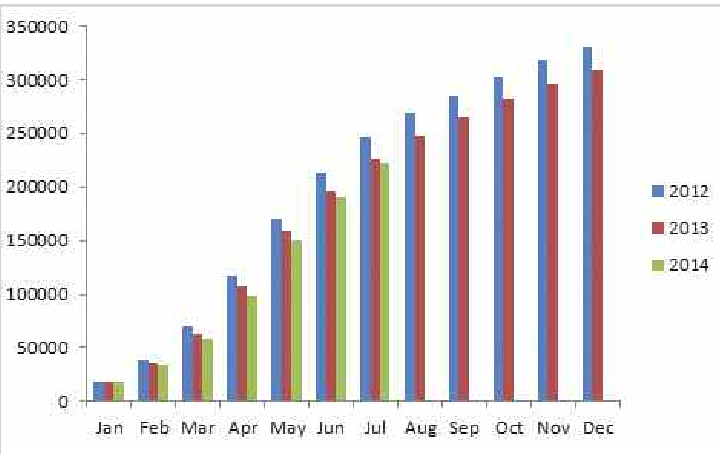
BEEF SIRED CALF REGISTRATIONS HIGHER IN JULY

BEEF sired calf registrations in NI totalled 32,452 head during July 2014 compared to 29,566 registrations in July 2013. This increase by 2,886 head accounts for a 10 per cent increase between the two periods.

This brings beef sired calf registrations for 2014 to date to 222,241. The effects of poor grass growth and reduced cow fertility in spring 2013 are likely to be key drivers behind the increase in later born calves this year.

In the corresponding period in 2013 beef sired calf registrations totalled 226,155 head, representing a 1.7 per cent decline in registrations year on year. Despite this decline the level of calf registrations is much more promising than the first third of 2014 when registrations were 8.6 per cent behind year earlier levels. However with reduced numbers of suckler cows on NI farms beef sired calf registrations during 2014 to date are running 9.6 per cent behind 2012 levels. Figure 1 displays cumulative beef sired calf registrations from January 2012 to July 2014.

Figure 1 : Cumulative beef sired calf registrations January 2012 to July 2014



Dairy sired male calves are also an important source of calves for beef production with 47,849 registered in NI during 2014 to date. This is 1,752 (3.5 per cent) fewer registrations than the corresponding period in 2013 and 4,942 (9.4 per cent) less than the same period in 2012.

The number of calves being exported out of NI for further production has remained fairly steady with 13,176 calves exported during 2014 to date. These will have been almost exclusively dairy sired bull calves with 80 per cent of the calves exported during 2014 to date destined for Spain and a further 19 per cent destined for Italy. In the corresponding period in 2014 84 per cent of the calves exported were destined for Spain while 10 per cent were destined for Italy.

SHEEP FARM WALKS ON IMPROVING PERFORMANCE

TWO AgriSearch sheep farm walks will be held on the 13th and 14th August, organized jointly by AFBI and CAFRE. Two sessions will be run with tours leaving the farmyard at 2pm and 6.30pm sharp.

The host farmers are Crosby Cleland on the 13th (21 Greens Rd, Saintfield, BT24 7EE) and Maurice McHenry and family on the 14th (The Parks Farm, 134 Whitepark Road, Ballintoy, BT54 6ND).

The farm walks cover both lowland production systems (Crosby Cleland) and hill production systems (Maurice McHenry). Each of the host farmers currently participates in on-farm research with AFBI, Hillsborough, funded by the UK government through DARD and by NI farmers through AgriSearch.

The main topics to be covered at both events include updates on the benefits of crossbred ewes for improved production efficiency, grassland management, feeding strategies of ewes pre-tupping and health aspects including how to better diagnose and treat lameness. Systems available to sheep producers to record their flock performance will be discussed, including a demonstration of EID systems. Benchmarking figures will also be presented. Finally, at Maurice McHenry's hill farm, a stop on hill heather habitat will discuss the importance of sheep grazing for the environment.

Maurice, Marie and their son Robert McHenry farm on 120 ha, including 93 ha of moorland. The flock currently consists of 210 crossbred ewes and 43 replacement ewes, lambing indoors in March/April. Sire breeds used on the farm in the past 2 years include Scottish Blackface, Swaledale, Lleyn, Highlander, Texel and Suffolk.

Crosby Cleland has a flock of 700 ewes and 220 breeding replacements, on 170 acres of grassland. Half of those ewes are pure breeds, mostly Lleyn but also some Highlander and Primera. The remaining ewes comprise a maternal composite flock using Highlander, Lleyn and Texel and a flock put to a Primera terminal sire.

A warm welcome is extended to all sheep producers to attend these events.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 06/08/14	Next Week 11/08/14
Prime		
U-3	318-322p	318-322p
R-3	312-316p	312-316p
O+3	306-310p	306-310p
	Including bonus where applicable	
Cows		
O+3 & better	245-256p	245-256p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 02/08/14	Steers	Heifers	Young Bulls
U3	331.2	333.7	320.4
R3	322.3	325.7	316.7
O+3	315.2	314.6	296.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 02/08/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
O+3=	-	-	-	261.2
O-3+	-	-	251.0	241.5
P+2+	190.6	194.1	212.2	231.9
P+3+	-	-	221.1	224.1
P-1-	140.9	149.4	161.0	180.0

COMMODITY PRICE

W/E 02/08/14	Price (£) per tonne / 1000litre	% weekly change
Barley	132.50	-4.7
Wheat	138.00	n/c
Straw	17.00	-

Deadweight Cattle Trade

QUOTES from the meat plants this week ranged from 318-322p/kg for U-3 grade prime cattle with similar quotes expected for next week. The processors are reporting steady supplies of cattle to meet demand. Quotes for O+3 grade cows this week ranged from 245-256p/kg.

Throughput of prime cattle in the NI plants last week totalled 5,250 head, an increase of 485 from the previous week when 4.765 prime cattle were slaughtered. Prime cattle throughput for July 2014 totalled 22,277 head compared to 27,667 prime cattle slaughtered in July 2013. This decline by 5,390 head accounts for a 20 per cent drop in throughput year on year.

There have also been key changes to the make up of the prime cattle kill. In July 2013 39.4 per cent of the prime kill were steers and this increased to 45.6 per cent in July 2014. The proportion of heifers in the prime kill also increased, up from 34.8 per cent in July 2013 to 35.7 per cent in July 2014. The most notable change has been in the proportion of young bulls in the slaughter mix. In July 2014 18.7 per cent of the prime kill were young bulls compared to 25.8 per cent in July 2013.

Imports of prime cattle from ROI for direct slaughter in NI plants last week totalled 580 head, the highest weekly import since early November 2013. In addition 78 prime cattle were imported from GB for direct slaughter in NI plants last week. A total of 61 prime cattle were exported from NI to GB last week for direct slaughter bringing the total for the year to date to 3,901 head. This is 41 per cent lower than the corresponding period on 2013 when 6,597 prime cattle were exported.

The average steer price in NI last week increased by 1p/kg to 314.5p/kg while the R3 steer price increased slightly to 323.7p/kg. The quoted price for R-3 steers last week was 312-314p/kg and the average price paid for R-3 steers was 320.8p/kg indicating that there is some room for negotiation on the prices offered. The R3 heifer price in NI last week increased by 1p/kg to 327.3p/kg while the average heifer price remained steady at 319.7p/kg.

In GB last week the average steer price was up by 2p/kg to 330.3p/kg with increases of 2-4p/kg recorded in Scotland, Northern England and Southern England while in the Midlands the average steer price was back by 2.9p/kg to 313.7p/kg. A similar trend can be observed in R3 steer prices across the GB regions with the average R3 price in GB last week up 1.3p/kg to 336.3p/kg. Meanwhile average heifer prices were back by 1-2p/kg in all of the GB regions last week with the exception of Scotland where they were up by 1.7p/kg to 348.3p/kg.

The deadweight cattle trade has shown signs of stabilising in ROI with R3 steer and heifer prices within half a penny of the previous week at 289.7p/kg and 295.7p/kg respectively.

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

W/E 02/08/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	331.7	296.4	355.0	342.2	336.2	335.3	343.7
	R3	323.7	289.7	349.1	336.5	328.0	326.7	336.3
	R4	325.3	288.9	353.3	353.2	333.1	324.0	345.0
	O3	310.7	274.4	326.2	306.2	300.0	295.5	308.0
	AVG	314.5	-	348.2	338.0	313.7	311.4	330.3
Heifers	U3	334.1	307.6	356.5	340.6	339.0	335.5	344.3
	R3	327.3	295.7	348.0	327.1	324.0	323.5	332.0
	R4	324.0	293.9	349.7	337.4	328.7	319.3	336.7
	O3	312.0	280.7	333.9	317.6	302.9	294.2	314.6
	AVG	319.7	-	348.3	336.1	321.4	309.6	332.2
Young Bulls	U3	320.7	290.5	348.6	312.6	326.0	328.7	324.4
	R3	316.9	282.3	339.3	304.4	310.5	315.2	312.7
	O3	291.8	256.8	296.1	274.8	288.4	290.5	283.8
	AVG	303.5	-	334.3	295.3	306.3	304.4	305.9
Prime Cattle Price Reported		4047	-	7336	5989	5541	4009	22875
Cows	O3	247.9	236.9	254.7	244.1	255.9	240.8	247.2
	O4	250.5	239.9	257.5	246.7	248.4	245.1	249.4
	P2	205.6	207.4	197.0	207.3	204.3	188.9	196.4
	P3	227.2	230.3	219.3	222.5	215.5	219.2	220.1
	AVG	233.1	-	246.9	223.8	244.3	210.2	227.2

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=79.27p 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 02/08/14	1st QUALITY From	1st QUALITY To	1st QUALITY Average	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Average
Finished Cattle (p/kg)						
Steers	190	200	195	155	189	172
Friesians	135	146	140	124	134	130
Heifers	190	208	197	150	189	170
Beef Cows	142	175	156	115	141	126
Dairy Cows	102	122	112	70	101	87
Store Cattle (p/kg)						
Bullocks up to 400kg	211	221	216	169	181	177
Bullocks 400kg - 500kg	192	214	204	160	190	175
Bullocks over 500kg	194	203	198	155	193	174
Heifers up to 450kg	195	208	202	174	194	185
Heifers over 450kg	154	181	168	140	146	143
Dropped Calves (£/head)						
Continental Bulls	270	370	320	150	268	210
Continental Heifers	200	345	280	120	198	160
Friesian Bulls	120	195	150	30	118	75
Holstein Bulls	100	160	120	11	98	50

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 06/08/14	Next Week 11/08/14
Lambs	345-350p>21kg	345-350p>21kg

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 19/07/14	W/E 26/07/14	W/E 02/08/14
NI Liveweight	333.1	330.4	322.9
NI Deadweight	353.5	352.0	353.6
ROI Deadweight	346.6	350.5	348.2
GB Deadweight	392.8	404.0	382.0

Deadweight Sheep Trade

QUOTES from the plants for R3 grade lambs at the end of this week were 350p/kg with plants paying up to 21kg. Good supplies of lambs continue to come forward for slaughter with 12,738 lambs killed in NI plants last week. This brings throughput for the month of July 2014 to 61,472 head compared to 44,703 head slaughtered during July 2013. This increase by 16,769 head accounts for a 37.5 per cent increase in throughput of lambs by the NI plants year on year. The NI deadweight price increased by 1.6p/kg to 353.6p/kg last week while in ROI the average deadweight price was back by 2.3p/kg to 348.2p/kg. In GB last week the deadweight price was back by 22p/kg to 382p/kg. This puts the differential with NI at 28.4p/kg or £6 on a 21kg lamb.

This Week's Marts

THE trade in the marts this week has been broadly similar to previous weeks with a firm demand for good quality lambs. In Massereene on Monday 525 lambs sold from 305-357p/kg compared to 1,215 lambs selling from 315-340p/kg last week. In Kilrea on Monday 620 lambs sold from 318-358p/kg compared to 300 lambs last week selling from 325-356p/kg. In Saintfield on Tuesday a similar trade to the previous week saw 1,088 lambs selling from 310-365p/kg. A good show of 1,456 lambs in Ballymena on Wednesday sold to an average of 315p/kg compared to 1,330 lambs last week selling to an average of 318p/kg. Good quality cull ewes generally achieved top prices of £80-90 across the marts this week.

LATEST SHEEP MARTS					
From: 26/07/14		Lambs (P/KG LW)			
To: 01/08/14		No	From	To	Avg
Saturday	Swatragh	900	298	360	-
	Omagh	882	299	359	-
Monday	Massereene	525	305	357	320
	Kilrea	620	318	358	-
Tuesday	Saintfield	1088	310	365	-
	Rathfriland	1064	300	385	322
Wednesday	Ballymena	1456	306	336	315
	Armoy	680	317	370	322
	Markethill	1400	310	335	320
	Hilltown	1061	309	421	-

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