LMC BULLETIN

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DEADWEIGHT LAMB PRICES

QUOTES for lambs from the plants have shown an improvement this week with quotes of 450-455p/kg available for R3 grade lambs up to 21kg. This improvement in quotes has come about due to a tightening in lamb availability on the ground over the last few weeks and increased competition to secure lambs as a result.

Figure 1 displays deadweight lamb prices in NI from January 2011 to June 2013. In 2011 lamb prices were very strong with a tight supply of lambs caused by the difficult production conditions during the spring which had a detrimental effect on lamb supplies.

An increase in the number of lambs being exported to ROI for direct slaughter early in 2011 when compared to the corresponding period in previous years also increased competition for lambs and helped to maintain the strong deadweight prices.

In 2012 a marked increase in lamb supplies compared to 2011 levels due to growth in the ewe flock in NI and ROI as a result of increased confidence in the sheep sector resulted in lamb prices returning to more normal levels.

Deadweight prices early in 2013 were markedly behind the previous year's levels due to the carryover of hoggets from 2012 which helped depress average prices while maintaining plant throughput. However as hogget numbers started to decline and the difficult production conditions experienced this spring resulted in tight supplies of spring lambs coming forward for slaughter deadweight prices showed an improvement.

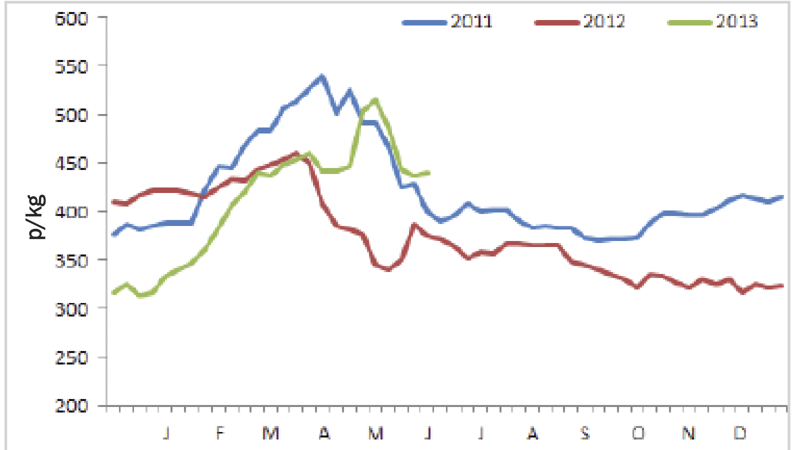
Deadweight prices in NI gradually increased during February this year and by March deadweight prices were fairly similar to those recorded in the corresponding period in 2012 as outlined in Figure 1. Tight supplies during April this year combined with an increased demand for lamb resulted in an increase in deadweight lamb prices to above the strong prices recorded in 2011.

An improvement in the supply of stock early in May resulted in enough lambs being available to allow processors to meet customer requirements and the deadweight lamb price came under pressure as a result. In late May deadweight lamb prices dropped from 514.9p/kg in the week ending the 25 May 2013 to 437p/kg in the week ending the 15 June 2013, a drop of 77.9p/kg over a three week period.

This drop in deadweight prices has mirrored a normal seasonal pattern as outlined in Figure 1. There is typically a peak in prices in the spring followed by a seasonal drop. This typically occurs as more lambs become available for slaughter and processors can secure enough lamb to meet demand.

Despite the seasonal drop in deadweight prices experienced during late May and early June this year the price being paid remained just above the prices paid in the corresponding period in 2011.

Figure 1: Deadweight lamb prices in NI January 2011 to June 2013



However a tightening in the availability of lambs over the last few weeks combined with increased demand for lambs in the NI plants, and for export to ROI for direct slaughter, has resulted in an improvement in the lamb trade.

The average deadweight lamb price in NI last week was 440.9p/kg, up almost 4p/kg on the previous week. In the same week last year the deadweight lamb price in NI was 375.3/kg. This improvement in deadweight prices year on year will be welcomed by producers who have had to absorb markedly higher costs of production this spring and higher mortality rates at farm level.

STRONG INCREASE IN R3 PRICES ACROSS THE REGIONS DURING 2013

RELATIVELY tight supplies of cattle during 2013 to date has resulted in an increase in the prices being paid for prime cattle. Figure 2 displays the R3 steer (solid lines) and heifer price (dashed line) in NI, ROI and GB during 2013 to date. The NI R3 heifer price has increased from 342.1p/kg in the week ending 5 January 2013 to 390.6p/kg in the week ending 22 June 2013. This represents an increase of 48.5p/kg, a 14.2 per cent increase.

The NI R3 heifer price has been consistently behind the ROI price during 2013 to date as indicated in Figure 2. Meanwhile the ROI price was consistently below the GB R3 heifer price until the week ending the 25 May 2013 when strong increases in the ROI R3 heifer price put it above the average GB price for several weeks. Last week the R3 heifer price in ROI dipped by 1p/kg and was half a penny behind the GB price with an equivalent price of 399.5p/kg. The trade for finished cattle in GB showed a slight improvement last week after several weeks of prices easing slightly as indicated in Figure 2.

The strong increase in the R3 heifer price in ROI since early May has been attributed to a high proportion of heifers being slaughtered fitting into industry specifications. These slaughter specifications vary between processors and by customer but generally include being within specification for weight, age, grade and Bord Bia Farm Quality Assured status. Reports have indicated that the meeting of these specifications by a large proportion of the heifer kill in ROI allows heifer carcases to be used to fulfil a large proportion of orders and thus the strong demand for heifer beef.

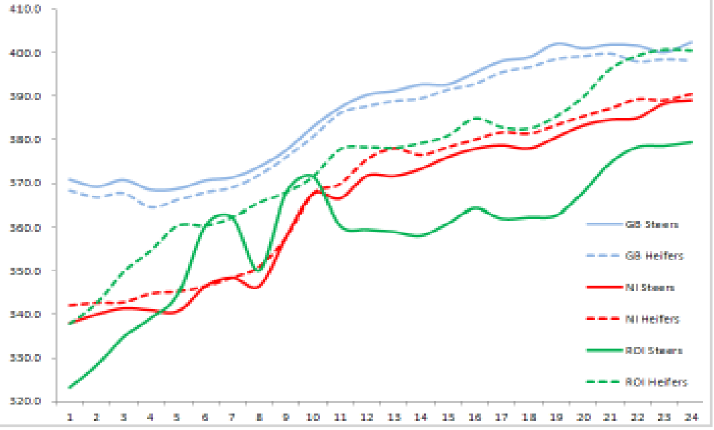
The ability of ROI producers to get heifers to meet industry specifications at point of slaughter more easily than steers has created a significant differential in the prices being paid by the plants in ROI as indicated in Figure 2. Industry sources have indicated that producers in ROI have had difficulties in getting steers to kill within specification, particularly when considering carcase weight and age at slaughter.

The differential between R3 steers and heifers in ROI last week was 20.8p/kg. Meanwhile in GB and in NI R3 steers and heifers have tended to be closer in price for the year to date as shown in Figure 2.

However if we consider the R3 steer price for 2013 to date for NI, ROI and the GB average there is a slightly different trend. The GB price has gradually increased throughout 2013 and has been consistently above the ROI and NI price with an average price last week of 402.7p/kg. Meanwhile the prices paid in NI and ROI have also shown gradual increases over the period in question with the NI price consistently above the ROI price since early March. The R3 steer price in NI last week was 391.1p/kg while it was 378.7p/kg in ROI.

With producers busy with other on farm activities the availability of cattle for slaughter is expected to remain fairly tight in the weeks ahead. This should help underpin current prime cattle prices.

Figure 2: R3 steer and heifer prices in NI, ROI and GB for 2013 to date



FQAS Liaison Officer Mart Clinics Timetable

Saintfield	Wednesday	03/07/2013
Enniskillen	Thursday	04/07/2013
Omagh	Wednesday	10/07/2013

IMPROVING SOIL AND SWARD PERFORMANCE EVENTS 2013

Greenmount Campus Antrim Wednesday 3 July 2013 10am-7pm	Enniskillen Campus Friday 5 July 2013 10am-7pm

Field Demonstrations and Seminars will cover

- Soils: Assessing soil structure
  Identifying, alleviating and preventing soil compaction
- Drainage: Identifying problems
  Repairing existing drains
  Planning new schemes
- Reseeding: Benefits
  Prioritising fields for improvement
  Minimal cultivation techniques
- Costs

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BT41 4PS

cafre
College of Agriculture, Food & Rural Enterprise

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

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WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 24/06/13	Next Week 01/07/13
Prime		
U-3	374-378p	372-374p
R-3	368-372p	366-368p
O+3	362-366p	360-362p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	290-310p	290-310p
Steakers	270-280p	270-280p
Blues	180-185p	180-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 22/06/13	Steers	Heifers	Young Bulls
U-3=	388.5	397.2	381.0
U=3=	392.1	393.5	387.1
U=4=	385.4	386.6	-
R=3=	389.1	391.7	375.6
R=4=	381.8	386.6	374.0
O+3=	386.8	383.6	365.8
O=3=	382.0	370.9	359.6
Average	382.5	384.4	364.5

REPORTED COW PRICES NI W/E 22/06/13

Grades	Price (p/kg)	Avg Wgt
O+3=	318.9	313.7
O-3+	298.2	307.3
P+2+	271.7	279.7
P+3+	285.0	312.2
P-1-	196.0	213.9

COMMODITIES

COMMODITY PRICE

W/E 22/06/13	Price (£) per tonne / 1000litre	% weekly change
Barley	187.00	-1.6
Wheat	198.50	-5.0
Straw	23.33	-
Diesel	715-725	-

Deadweight Cattle Trade

QUOTES from the plants for U-3 grade prime cattle this week were 374-378p/kg, back from the 378-382p/kg being quoted late last week. The plants have further reduced quotes for Monday to 372-374p/kg. It remains to be seen if all plants will secure supply at these reduced quotes. The quotes for good quality cows were unchanged from previous weeks at 290-310p/kg.

Prime cattle throughput in the NI plants last week totalled 6,215 head, an increase of 363 head on the previous week with throughput for the year to date running 4.5 per cent ahead of the same period last year. A total of 1,540 cows were slaughtered in NI plants last week, an 11 per cent increase on the previous week when 1,386 cows were slaughtered. Imports of prime cattle from ROI for direct slaughter last week totalled 416 head with 110 cows also imported. A total of 143 cattle were exported from NI to ROI for direct slaughter with 120 of these being cows. Meanwhile 203 prime cattle were exported to GB for direct slaughter last week taking the total for the year to date to 5,577 head.

The average steer price in NI last week increased by 1p/kg to 382.5p/kg with the R3 steer price up 2p/kg to 391.1p/kg. The R3 steer price in NI last week was fractionally higher than the average U3 price which was 390.4p/kg. This is likely to be due to reduced numbers of U3 steers being in spec and is also perhaps evidence of flat deals being done across the grades. The average heifer price in NI last week was back half a penny to 384.4p/kg with the R3 heifer price up 2p/kg to 390.6p/kg.

Average steer and heifer prices in GB last week increased in the region of 1p/kg to 401.8p/kg and 398.4p/kg respectively. The GB R4 steer price showed the strongest increase across the regions, up 2p/kg to 410p/kg with the R4 heifer price up 1.3p/kg to 402.2p/kg. Average steer prices increased in all the GB regions in the region of 2p/kg with the exception of Southern England where prices were back 1.9p/kg to 382p/kg. Meanwhile average heifer prices increased by 1-2p/kg in the three English regions but were back by 1p/kg in Scotland to 408.9p/kg.

Prices in ROI last week were back slightly on the previous week with reports of an improvement in the supply of prime cattle. Last week's kill in ROI was 27,791 head, 4,000 head more than in the corresponding week in 2012. In sterling terms R3 steer and heifer prices were back in the region of 1p/kg to 378.7p/kg and 399.5p/kg respectively.

This weeks marts

FINISHED first quality steers sold to an average of 220p/kg liveweight in the marts this week with second quality selling to an average of 195p/kg. Finished good quality heifers sold to an average of 225p/kg with second quality selling to an average of 200p/kg. Good quality beef bred cows sold to a top price of 209p/kg (av 185p/kg) with second quality selling to an average of 147p/kg. Dairy bred cows sold from 85-143p/kg. A firm trade for forward store cattle saw 400-500kg bullocks sell to an average of 240p/kg with plainer animals in the same category selling to an average of 190p/kg. Heifers over 450kg sold to an average of 211p/kg for good quality with plainer stock selling to an average of 180p/kg.

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

W/E 22/06/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	390.4	387.1	419.1	409.2	408.5	403.1	411.1
	R3	391.1	378.7	412.7	404.0	398.2	393.2	402.7
	R4	387.3	379.1	418.9	418.9	398.9	391.1	410.0
	O3	380.0	364.2	399.7	399.0	379.6	370.0	389.0
	AVG	382.5	-	415.0	407.6	394.8	382.0	401.8
Heifers	U3	396.5	413.6	417.2	405.0	409.2	411.3	411.0
	R3	390.6	399.5	408.2	399.5	395.0	395.5	400.1
	R4	387.2	400.2	412.0	403.3	397.1	391.4	402.2
	O3	378.1	381.1	391.4	392.2	380.6	372.0	385.5
	AVG	384.4	-	408.9	400.8	394.7	383.3	398.4
Young Bulls	U3	384.3	381.3	414.7	388.8	398.7	403.4	400.5
	R3	376.8	373.5	401.3	377.8	383.0	389.4	385.4
	O3	358.5	354.2	374.5	359.6	365.4	370.0	365.9
	AVG	364.5	-	398.8	370.7	380.3	381.7	380.8
Prime Cattle Price Reported		5079	-	6773	5884	5710	4352	22719
Cows	O3	309.3	302.0	314.2	301.5	300.5	283.4	300.8
	O4	311.7	301.4	313.4	305.6	303.2	286.4	303.0
	P2	256.8	269.7	253.3	254.0	245.0	230.3	246.3
	P3	285.9	289.7	275.3	278.4	257.7	251.1	268.6
	AVG	288.0	-	299.9	284.8	288.5	246.6	278.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.35p 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 22/06/13	1st QUALITY From	1st QUALITY To	1st QUALITY Average	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Average
Finished Cattle (p/kg)						
Steers	209	236	220	180	208	195
Friesians	170	184	172	164	168	165
Heifers	214	244	225	180	213	200
Beef Cows	170	209	185	130	169	147
Dairy Cows	111	143	127	85	110	100
Store Cattle (p/kg)						
Bullocks up to 400kg	206	258	220	160	205	180
Bullocks 400kg - 500kg	229	256	240	170	228	190
Bullocks over 500kg	200	223	215	170	199	185
Heifers up to 450kg	200	232	216	160	199	180
Heifers over 450kg	205	248	211	150	204	180
Dropped Calves (£/head)						
Continental Bulls	200	370	255	120	198	160
Continental Heifers	188	300	230	90	185	130
Friesian Bulls	62	130	115	20	60	40
Holstein Bulls	50	100	75	1	48	20

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 24/06/13	Next Week 01/07/13
NI Factories	445-450p	450-455p
ROI Factories	445-450p	450p

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 08/06/13	W/E 15/06/13	W/E 22/06/13
NI Liveweight	418.3p	412.6p	417.4p
NI Deadweight	443.4p	437.0p	440.9p
GB Deadweight	499.7p	490.5p	480.3p

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grading lambs have improved with 450-455p/kg now been quoted up to 21kg. The plants have reported a tightening in the availability of lambs with the lamb kill in NI last week back 447 head on the previous week to 7,967 head. Exports of sheep to ROI for direct slaughter last week totalled 5,275, an increase of 1,459 head on the previous week. These exports to ROI for direct slaughter accounted for 37 per cent of total NI sheep production last week with the remaining 63 per cent slaughtered in NI plants. The average deadweight lamb price in NI last week was 440.9p/kg, an increase of 4p/kg on the previous week while prices in GB were back 10p/kg to 480.3p/kg. There have been reports of tight supplies of lambs in GB over the past number of weeks.

This week's marts

The number of lambs passing through most of the marts this week has been lower than in previous weeks with reports of tighter lamb numbers on the ground. An improved trade in Massereene on Monday saw 606 lambs selling from 420-470p/kg compared to 686 lambs last week selling from 410-455p/kg. In Saintfield on Tuesday 374 lambs sold from 425-460p/kg (av 436p/kg) compared to 501 lambs last week selling from 405-455p/kg (av 418p/kg). In Enniskillen on Wednesday a similar trade to last week saw 482 lambs sold to an average of 420p/kg. In Ballymena a larger entry of 906 lambs sold to an average of 418p/kg compared to 657 lambs last week also selling to an average of 418p/kg.

LATEST SHEEP MARTS

From: 22/06/13 To: 27/06/13		Spring Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Donemana	473	423	459	442
	Newtownstewart	100	400	435	420
	Omagh	319	429	470	-
Monday	Massereene	606	420	470	-
	Kilrea	300	416	432	419
Tuesday	Saintfield	374	425	460	436
	Rathfriland	931	415	466	428
Wednesday	Enniskillen	482	410	448	420
	Ballymena	906	400	455	418

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