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NI SHEEP MARKET OVERVIEW

QUOTES from the NI plants for R3 grade lambs have come under pressure in recent weeks as strong numbers have continued to come forward for slaughter. Quotes from the plants this week were 335-340p/kg up to 21kg. Quotes for early next week are 340p/kg to 21kg in some plants and 335p/kg to 22kg in others.

Throughput

During the 15 week period ending 13 September 2014 there were 176,798 lambs slaughtered in NI plants compared to 140,640 lambs slaughtered in the corresponding period in 2013. This increase by 36,158 head accounts for a 26 per cent increase year on year. This increase has been driven by increased demand from NI processors for lamb combined with a notable increase in lamb availability.

As a result of increased lamb throughput the total carcase weight of lamb handled by the NI processors in the fifteen week period ending the 13 September 2014 totalled 3,780 tonnes, an increase of 29 per cent on the 2,934 tonnes processed in the corresponding period in 2013.

The increase in the volume of lamb processed by the local plants has also been a result of a slight increase in average carcase weights. During the 2014 period under analysis the average lamb carcase weight was 21.4kg compared to 20.9kg in the corresponding period in 2013. Meanwhile the average ewe carcase weight in NI was unchanged at 28.4kg year on year.

Live exports

The favourable production conditions during 2014 to date have driven the increased throughput of lambs in NI plants but it has also been aided by the reduced demand from ROI plants for NI origin lambs. This drop in demand is a result of increased domestic supplies in ROI this year when compared to previous years. In conjunction with this the unfavourable exchange rate from euro to sterling has made NI born lambs relatively more expensive.

In the last 15 weeks 90,251 sheep have been exported from NI for slaughter in ROI plants compared to 113,574 head in the same period in 2013. This decline by 23,323 head accounts for a 21 per cent decline year on year.

However In the last few weeks the level of exports to ROI has recorded an increase. In the 4 weeks ending 13 September 2014 35,383 lambs were exported from NI to ROI for direct slaughter compared to 35,804 in the corresponding period in 2013.

During a three week period in June 1,163 lambs were imported from ROI for direct slaughter in NI plants. These were the first lambs imported from ROI for direct slaughter since early 2011.

Total production

During the 15 week period ending 13 September 2014 a total of 267,049 lambs were killed in NI plants or exported to ROI for direct slaughter. This is an increase of 12,835 head on the same period in 2013 when 254,214 lambs were killed locally or exported for slaughter. This accounts for a five per cent increase in total production year on year. The proportion of lambs killed locally has also increased between the 2013 and 2014 time periods. In the 2014 period 66 per cent of locally produced lambs were killed in NI plants compared to 55 per cent in the corresponding period in 2013.

NI Trade

This week the NI processors were quoting 335-340p/kg for R3 grading lambs up to 21kg. In the corresponding week last year the plants were quoting 360p/kg for R3 grade lambs up to 21kg. As we approach the end of September each year the factories usually increase the upper weight limit and some plants have indicated an increase in the upper carcase weight limit to 22kg from Monday.

Figure 1 displays the R3 lamb price for the period June-September 2012-2014. As indicated in Figure 1 the average price paid for R3 grade lambs in NI last week was 337.1p/kg, 24.1p/kg below the 361.2p/kg paid in the corresponding week last year and 6.8p/kg below the 343.9p/kg paid for R3 grade lambs in the corresponding week in 2012.

GB Trade

The deadweight lamb trade in GB has also come under pressure in recent weeks due to increasing supplies of lambs coming forward for slaughter. The average deadweight price in GB last week was 356.6p/kg, down 13p/kg from the previous week. However price reported deadweight figures in GB continue to be markedly ahead of those reported in NI.

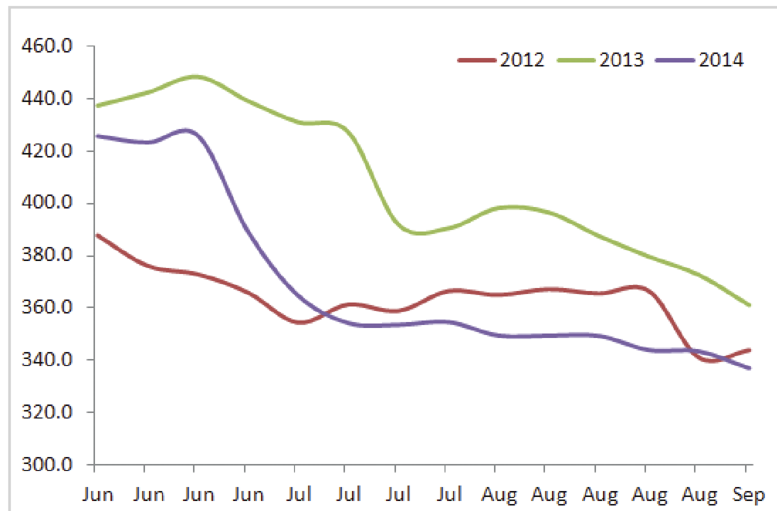
Last week the differential in the average lamb price between NI and GB was 20.6p/kg or £4.33 on a 21kg carcase. Meanwhile the average deadweight lamb price in NI dropped to 336p/kg last week (-6p/kg) taking it 1p/kg below the average ROI price.

Census figures

The preliminary results for the Northern Ireland Agricultural Census for June 2014 have indicated a three per cent decline in breeding ewe numbers from year earlier levels to 889,700 head. Breeding ewe numbers have shown some volatility in recent years falling to a 20 year low of 876,000 in 2010 before increasing to 937,000 in 2012.

However despite three per cent drop in breeding ewe numbers year on year the number of lambs on NI farms in June 2014 was one per cent higher than year earlier levels. The relatively good spring and early summer weather in 2014 helped increase lamb survival rates and boost lamb numbers on the ground. This is in direct contrast to the situation 12 months earlier.

Figure 1: R3 lamb prices in NI June - September 2012-2014



BENEFITS OF FQAS FOR NI SHEEP PRODUCERS

KEEP YOUR MARKETING OPTIONS OPEN

SHEEP production in NI tends to peak in the autumn and with strong levels of throughput recorded in the NI plants in recent weeks the processors have been actively encouraging producers to present Farm Quality Assured sheep for slaughter.

The enhanced assurances on animal welfare, food safety, traceability and care for the environment provided by the Farm Quality Assurance Scheme allows the processors to service the high value retail and food service markets in the UK. For many of these customers FQAS status is a key requirement of their product specification.

Achieving FQ assured status for sheep allows NI sheep producers to keep their options open when marketing their lambs. While FQ status is not currently a requirement for lambs that are exported for slaughter in plants in ROI it has become increasingly important for lambs which are destined for slaughter in NI plants.

It is worth noting that the export of lambs to ROI for slaughter is highly dependent on the euro/sterling exchange rate and the demand for NI origin lambs from ROI processors. The recent weakening in the euro has meant an increased proportion of NI lambs have been slaughtered domestically during 2014 to date. NI sheep producers should therefore consider becoming FQ assured.

Over 11,000 NI farmers are now approved members of FQAS with the beef and lamb they produce eligible to carry the FQAS logo. In addition to this, beef and lamb produced in NI on FQAS farms can be marketed in the UK under the Red Tractor Logo which increases its market accessibility.

The FQ status of lambs passing through the marts has also become increasingly important with factory agents actively seeking finished lambs with FQ status. It has also become important for marketing forward store lambs with lamb finishers often looking to purchase lambs from FQAS farms, particularly if they are not planning on keeping them for the full 60 day residency period currently required for FQAS.

In addition to these benefits the Food Standards Agency and DARD Service Delivery Group recognise FQAS farms as lower risk with members having a reduced likelihood of selection for certain statutory inspections (compared to non-FQAS farms).

FQAS inspections can also be viewed as an excellent way of preparing your farm for cross-compliance and other statutory inspections. As FQAS is a voluntary scheme, an opportunity to rectify any non-conformances against relevant legislation is generally allowed without penalty, unlike breaches of Cross Compliance where penalties to your SFP can be automatically applied.

How do I join FQAS?

LMC owns the FQAS on behalf of the NI red meat industry. NI Food Chain Certification (NIFCC) is contracted by LMC to independently certify the scheme. The registration, inspection and certification of producers is handled by NIFCC.

For further information about FQAS, the application process, the cost of participation and what is involved in a farm inspection please call the FQAS helpline at LMC on 028 9263 3024.

REMINDER:

RED FQAS LAMB FORMS

FQAS verification forms are required by meat processors when sheep or lambs are being presented for slaughter. These red forms are needed to verify that lambs have completed 60 days on a Farm Quality Assured farm/farms prior to slaughter.

FQAS approved lamb producers may incur price penalties from their processor if lambs are not accompanied by these forms as this is an essential FQAS check.

Farm Quality Assurance Scheme participants who are approved for sheep can request lamb verification forms by calling the FQAS Helpline on: 028 9263 3024.

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

Answerphone Service
Factory Quotes &
Mart Results
Updated 5pm Daily

Tel: 028 9263 3011

Text Service
Free Price Quotes sent to your mobile phone weekly

Email - bulletin@lmcni.com
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 17/09/14	Next Week 22/09/14
Prime		
U-3	320-326p	320-326p
R-3	314-320p	314-320p
O+3	308-314p	308-314p
	Including bonus where applicable	
Cows		
O+3 & better	235-256p	235-256p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 13/09/14	Steers	Heifers	Young Bulls
U3	325.9	331.4	319.9
R3	322.5	325.6	320.5
O+3	312.6	316.9	312.3

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 13/09/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	139.2	148.1	152.6	158.4
P2	171.3	190.9	200.4	220.6
P3	175.0	208.3	218.9	230.5
O3	219.3	226.0	239.4	247.5
O4	-	222.2	246.6	250.0
R3	-	-	259.0	266.3

COMMODITY PRICE

W/E 13/09/14	Price (£) per tonne / 1000litre	% weekly change
Barley	129.00	-3.4
Wheat	131.00	-3.7
Straw	13.50	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade steers and heifers ranged from 320-326p/kg (including the in spec bonus in some plants). Generally quotes were 324p/kg for steers and 326p/kg for heifers. Similar quotes are expected for early next week. Quotes for O+3 grade cows ranged from 235-256p/kg across the plants this week with similar quotes expected for Monday.

Reports from industry have indicated tight supplies coming forward for slaughter with processors actively seeking good quality prime cattle. Throughput of prime cattle in the NI plants last week totalled 5,584 head, down 152 head from the previous week. However prime cattle throughput in the last six weeks has totalled 34,196 head, almost identical to the same period last year. Meanwhile cow throughput in NI during the last six weeks has totalled 10,705 head, an increase of 618 head on the corresponding period in 2013.

The deadweight prime cattle trade improved in NI last week with the average steer price increasing by 5p/kg to 315.0p/kg while the R3 steer price increased by 5.4p/kg to 326.7p/kg. The average heifer price also improved last week, increasing by 1.4p/kg to 320.1p/kg while the R3 heifer price increased by 1.8p/kg to 326.6p/kg. The young bull price in NI increased by 7p/kg last week to 299.5p/kg with the R3 young bull price increasing by 11.8p/kg to 320.3p/kg. This strong increase in the R3 young bull price can be partly attributed to the increase in the proportion of R3 grade bulls killed under 16 months last week when compared to the previous week.

After strong increases were recorded in deadweight cattle prices in all the GB regions in recent weeks the trade continued to be generally positive last week. Average steer prices in GB last week were within half a penny of the previous week at 346.5p/kg with a similar trend in the Midlands and Southern England. Meanwhile in Scotland the average steer price increased by 3.7p/kg to 366.9p/kg while in Northern England the average price was back 2.5p/kg to 346.6p/kg. The trade for heifers was more positive in GB with the average heifer price increasing by 3.4p/kg to 348.8p/kg. Increases were recorded in all the GB regions with Scotland showing the strongest increase, up by 5.3p/kg to 367.5p/kg.

The average cow price in NI last week increased by 1.1p/kg to 222.8p/kg while in GB average prices have come back in the majority of the GB regions. The average cow price in GB last week was down 3.7p/kg to 225.7p/kg. The most marked decline was in Scotland where the average cow price declined by 7.6p/kg to 240.4p/kg.

In ROI last week prices for all reported cattle grades increased from the previous week. In sterling terms the R3 heifer price increased by 1.3p/kg to 285.6p/kg while the R3 steer price increased by 2.1p/kg to 282.7p/kg. Reports have indicated increasing processor activity in recent weeks with cattle numbers forecast to tighten in the weeks ahead. Cow prices showed a firm improvement in ROI last week with O3 cow prices up the equivalent of 4p/kg to 236.5p/kg.

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

W/E 13/09/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	327.9	290.6	374.3	353.7	355.1	353.6	360.0
	R3	326.7	282.7	370.1	346.9	345.4	343.1	352.5
	R4	324.8	280.6	372.6	357.0	346.1	342.4	356.9
	O3	313.2	265.2	352.6	331.5	318.3	322.6	332.3
	AVG	315.0	-	366.9	346.6	334.0	331.1	346.5
Heifers	U3	331.6	297.0	377.0	355.6	357.4	353.3	362.3
	R3	326.6	285.6	368.0	344.6	346.1	342.8	351.7
	R4	323.8	284.2	370.0	348.4	344.2	340.5	352.9
	O3	317.7	270.7	343.0	334.0	323.3	323.4	333.0
	AVG	320.1	-	367.5	345.7	340.3	331.7	348.8
Young Bulls	U3	320.2	286.0	368.7	335.5	347.4	348.5	345.4
	R3	320.3	277.2	357.8	320.8	332.8	336.0	331.7
	O3	298.9	254.5	317.6	286.2	309.8	308.8	303.2
	AVG	299.5	-	345.7	316.6	322.7	314.2	322.3
Prime Cattle Price Reported		4323	-	6566	5800	5542	3826	21734
Cows	O3	246.0	236.5	256.5	246.2	259.8	242.4	249.1
	O4	249.5	237.8	256.8	246.9	256.7	245.7	250.6
	P2	208.1	209.2	194.8	200.6	223.0	184.8	193.6
	P3	226.3	229.7	221.7	223.5	234.4	216.4	220.9
	AVG	222.8	-	240.4	226.2	246.9	204.8	225.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=79.93p 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 13/09/14	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	190	207	198	160	189	175
Friesians	142	172	154	107	135	127
Heifers	190	209	195	150	189	170
Beef Cows	140	214	160	105	139	122
Dairy Cows	100	124	106	70	99	85
Store Cattle (p/kg)						
Bullocks up to 400kg	200	240	216	160	199	180
Bullocks 400kg - 500kg	196	215	203	150	195	175
Bullocks over 500kg	190	210	196	150	189	170
Heifers up to 450kg	190	208	200	160	189	175
Heifers over 450kg	195	210	203	150	194	172
Dropped Calves (£/head)						
Continental Bulls	240	340	290	120	238	180
Continental Heifers	190	290	240	100	188	145
Friesian Bulls	100	192	120	20	98	50
Holstein Bulls	20	55	35	1	18	12

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 17/09/14	Next Week 24/09/14
Lambs	335-340p>21kg	340p>21kg 335p>22kg

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 30/08/14	W/E 06/09/14	W/E 13/09/14
NI Liveweight	309.7	303.2	302.3
NI Deadweight	343.5	341.9	336.0
ROI Deadweight	340.3	340.3	337.2
GB Deadweight	374.7	369.5	356.6

Deadweight Sheep Trade

QUOTES from the plants this week were 335-340p/kg with the plants paying up to 21kg. Some plants have indicated they are increasing the upper carcase weight to 22kg from early next week. Strong supplies of lambs continue to come forward for slaughter with 12,504 lambs killed in NI plants last week although this was 625 lambs fewer than the previous week. Exports of sheep for direct slaughter in ROI plants totalled 8,803 head last week, a reduction of 1,448 head from the previous week when 10,251 lambs were exported. The average deadweight price in NI last week was 336p/kg, down 5.9p/kg from the previous week. In ROI last week the average lamb price was down the equivalent of 3.1p/kg to 337.2p/kg while in GB the lamb price was back by 12.9p/kg to 356.6p/kg.

This Week's Marts

A good trade in Massereene on Monday saw 1,102 lambs sold from 300-332p/kg compared to 1,166 lambs the previous week selling from 295-329p/kg. In Kilrea on Monday a similar trade to the previous week saw 440 lambs sold from 292-318p/kg. Meanwhile in Saintfield on Tuesday a better trade saw 748 lambs selling from 300-360p/kg compared to 661 lambs last week selling from 290-341p/kg. An improved trade was also reported in Ballymena where 1,643 lambs sold to an average of 304p/kg compared to 1,763 lambs the previous week selling to an average of 294p/kg. A firm trade in Armoy on Wednesday evening saw lambs sell to an average of 314p/kg.

LATEST SHEEP MARTS					
From: 13/09/14		Lambs (P/KG LW)			
To: 19/09/14		No	From	To	Avg
Saturday	Swatragh	1000	292	372	-
	Omagh	1100	316	380	-
Monday	Massereene	1102	300	332	-
	Kilrea	440	292	318	-
Tuesday	Saintfield	748	300	360	-
	Rathfriland	1065	307	398	333
Wednesday	Ballymena	1643	280	325	304
	Enniskillen	724	308	332	-
	Armoy	564	305	357	314

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