

LMC BULLETIN

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FOR NORTHERN IRELAND

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CHANGES TO PRICING STRUCTURE AT SOME PLANTS FROM NEXT WEEK

LATE this week, a state of flux has emerged in the beef trade with reports of changes in some factories' pricing policies from next week. This follows recent correspondence from some plants to their suppliers notifying them of forthcoming changes.

Some of the major processors have now indicated that they will be implementing changes to the pricing structure for prime cattle from next week. These plants indicated that they will be incorporating the existing 10-14p/kg bonus into the base quote and amending deductions for cattle that do not meet specification.

Several plants notified LMC at the end of the week that they would be quoting

an all-in price of 338-340p/kg for in-spec cattle. Out of spec cattle would be subject to deductions from this price. On Friday, some other plants were continuing to quote 326p/kg with a separate 14p/kg bonus for early next week. Some others were not quoting at all, perhaps waiting to see the impact of these changes.

With some plants quoting an all-in price and no longer using a base price / bonus system, this raises questions over wider pricing policies.

For example, the in-spec bonus was reserved for E, U, R, 3, 4-, 4=, O+3 grades. Now it would appear that in those plants paying an all-in price, this higher price will be the base for all cattle, effectively meaning an increase

in the price of out-of-spec grades, relative to the price of in-spec grades.

Likewise, this has implications for the pricing of young bulls which were usually offered the base price and hitherto did not qualify for the bonus payment. It remains to be seen how young bulls will be priced under such arrangements.

Similarly, the basis for pricing premium cattle such as Angus, Hereford and organic was also the base price (excluding bonus). It remains to be seen how these changes will affect the pricing of premium cattle at the plants concerned.

Out-of-spec deductions

The processors have outlined that the

proposed changes to the pricing structure are an attempt to reduce the number of out of spec cattle coming forward for slaughter and thereby maximise the proportion of cattle that fulfil the specification of the higher value retail and food service markets.

Consequently, some plants have announced that they are planning to apply greater penalties on out-of-spec stock. The specifications vary from plant to plant and the associated deductions also vary. It is also worth noting that some plants have informed LMC that there is currently no change to existing arrangements.

We would encourage producers to contact procurement staff at each plant to establish the best market for each

animal. With differences in specifications and the application of penalties, producers should consider all market options for their stock, including all of the NI abattoirs, secondary processors, marts and live export markets.

It remains to be seen how stringently these pricing changes will be applied in practice. LMC will continue to keep producers up to date with any further changes to the pricing structure over the next few weeks as and when the information becomes available.

LMC continues to advise producers to liaise with factory procurement staff to keep up to date with any changes to pricing policies at individual plants.

FQAS MART CLINICS TIMETABLE MAY 2014

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland.

Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to, or following, an inspection. Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic.

Terry will be available at the livestock marts listed in the table. For further information call (028) 9263 3024.

LOCATION	DAY	DATE
Saintfield	Wednesday	07/05/2014
Omagh	Monday	12/05/2014
Kilrea	Wednesday	21/05/2014
Enniskillen	Thursday	22/05/2014
Markethill	Tuesday	27/05/2014
Ballymena	Friday	30/05/2014

GB R3 HEIFER PRICES STRONGEST IN EU

GB retained first position in the EU league table of R3 heifer prices during the week ending 20 April 2014 with an equivalent R3 heifer price of 433.8c/kg. This was despite a decline in the R3 heifer price by 2c/kg from the previous month when the R3 heifer price was the equivalent of 435.9c/kg in the week ending 23 March 2014.

During the week ending 20 April 2014 the R3 heifer price in GB was 34.9c/kg higher than the EU average price of 398.9c/kg. This margin over the EU average price increased by 1.8c/kg from the week ending the 23 March 2014 when the positive differential was 33.1c/kg. The EU average R3 heifer price was back by 3.9c/kg from 402.8c/kg in the week ending 23 March 2014.

In NI the R3 heifer price in the week ending 20 April 2014 was the equivalent of 417.8c/kg, an increase of 12.9c/kg on the week ending 23 March 2014 when the R3 heifer price was the equivalent of 404.9p/kg. This was the strongest increase recorded in the EU between the two weeks tabulated and has moved it up one position into third place on the league table.

R3 heifer prices in NI were 18.9c/kg higher than the EU average price in the week ending 20 April 2014. This was significantly wider than the week ending 23 March 2014 when prices in NI were just 2.1c/kg higher than the EU average. The widening in the differential between the NI R3 heifer price and the EU average R3 heifer price has been aided

by a decline in the value of the euro against sterling between the two weeks tabulated from €1= 83.6p in the week ending 23 March 2014 to €1= 82.5p in the week ending 20 April 2014.

Meanwhile in ROI the R3 heifer price was

back by 1.2c/kg to 388.9c/kg in the week ending 20 April 2014. This moved it down one position in the league table to eighth place with the R3 heifer price in ROI 10c/kg below the EU average price of 398.9c/kg in the week ending 20 April 2014.

EU Deadweight Cattle Prices - Heifers R3 Equivalent (€ Cents)					
Position last Mth	Position this Mth	Country	Price last Mth (w/e 23.03.14)	Price this Mth (w/e 20.04.14)	Change on Mth (cents)
1	1	Great Britain	435.9	433.8	-2.0
2	2	France	421.0	424.0	+3.0
4	3	Northern Ireland	404.9	417.8	+12.9
5	4	Spain	420.6	412.8	-7.8
3	5	Italy	421.8	406.0	-15.9
7	6	Luxembourg	390.4	399.1	+8.6
8	7	Ireland	390.2	388.9	-1.2
6	8	Sweden	386.0	379.0	-7.0
9	9	Germany	382.0	372.2	-9.8
11	10	Denmark	355.7	355.9	+0.2
10	11	Austria	360.0	351.2	-8.8
12	12	Belgium	340.0	341.5	+1.5
13	13	Slovenia	324.7	327.1	+2.4
14	14	Poland	302.2	306.6	+4.5
15	15	Czech Republic	263.6	261.6	-2.1
16	16	Lithuania	267.4	244.8	-22.6
EU Average			402.8	398.9	-3.9
Euro (€1=)			83.6	82.5	-

Official prices reported to the EC Dressing Specification



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

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 28/04/14	Next Week 05/05/14
Prime		
U-3	324-330p	338-340p*
R-3	318-324p	332-334p*
O+3	312-318p	326-328p*
Bonus	+ 10-14p/kg in-spec bonus	*Includes 14p/kg in-spec bonus at some plants
Cows		
O+3 & better	240-250p	240-250p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 26/04/14	Steers	Heifers	Young Bulls
U-3=	340.5	350.8	324.2
U=3=	336.4	355.2	329.2
U=4=	324.5	344.3	-
R=3=	341.9	345.9	325.0
R=4=	339.7	341.6	-
O+3=	339.9	336.5	304.1
O=3=	330.7	321.5	295.0
Average	332.7	338.9	306.5

REPORTED COW PRICES NI W/E 26/04/14 (p/kg)

Grades	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
O+3=	-	-	-	256.3
O-3+	-	218.0	226.5	237.8
P+2+	175.0	-	217.7	220.7
P+3+	185.0	-	-	229.9
P-1-	146.1	157.2	147.9	-

COMMODITY PRICE

W/E 26/04/14	Price (£) per tonne / 1000litre	% weekly change
Barley	165.00	-0.9
Wheat	184.50	-0.0
Straw	16.80	-
Red Diesel	670-685	-

SHEEP TRADE

NI FACTORY QUOTES

(P/Kg DW)	This Week 28/04/14	Next Week 05/04/14
Hoggets	450-460>22kg	450-460>22kg
Spring lambs	500>21kg	480-500>21kg

Deadweight Sheep Trade

QUOTES from the plants for R3 grading hoggets remained steady this week at 450-460kg up to 22kg with reports of numbers starting to tighten. The quality of the hoggets coming forward for slaughter has also declined. The factories are quoting 480-500p/kg for spring lambs up to 21kg with lambs starting to come forward now in greater numbers and accounted for more than a third of the price reported kill last week. With the shorter working week last week there was a reduction in sheep throughput. A total of 3,818 lambs/hoggets were killed in NI last week compared to 4,969 the previous week. The deadweight hogget price in NI last week was 451.6p/kg while the deadweight spring lamb price was 490.7p/kg.

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle ranged from 324-330p/kg with the additional 10-14p/kg available for steers and heifers that met the in-spec requirements. With some processors now incorporating the in-spec bonus into the quoted price, all-in quotes for early next week are expected to be in the range of 338-340p/kg. This is effectively a reduction in quotes at the top end. Quotes for good quality O+3 cows ranged from 240-250p/kg this week with a similar trade expected early next week.

With the shorter working week the throughput of prime cattle in the NI plants last week totalled 5,627 head, down 740 head from the previous week. Imports of prime cattle from ROI for direct slaughter in NI plants last week totalled 218 head and accounted for four per cent of total prime cattle throughput. Cow throughput in NI last week totalled 1,088 head compared to 1,124 head the previous week with 18 of these imported from ROI for direct slaughter. A total of 130 cows were exported from NI to ROI for direct slaughter last week with a further 21 cows exported to GB. A total of 137 clean cattle were also exported to GB for direct slaughter last week.

The average steer price in NI last week was 332.7p/kg, down 2.7p/kg from the previous week while the R3 steer price was unchanged at 343.1p/kg. Meanwhile the average heifer price in NI increased by 2.3p/kg to 338.9p/kg while the R3 heifer price increased by 3p/kg to 345.9p/kg. The average young bull price was back by 1p/kg to 306.5p/kg while the R3 young bull price was back by the same margin to 320p/kg. The cow trade was relatively unchanged with an average cow price of 229.3p/kg. Meanwhile in GB the deadweight cattle trade has come under pressure with average prices for steers, heifers and young bulls all back from the previous week. The average steer price in GB last week was 355.5p/kg, down 3.7p/kg from the previous week while the R3 steer price was back by 3p/kg to 359.4p/kg. This was the lowest R3 steer price recorded in GB since November 2012. The most notable decline in the R3 steer price in was in Northern England which was back 5.6p/kg to 359.4p/kg.

The average heifer price in GB last week was 355.9p/kg, down 1.6p/kg from the previous week while the R3 heifer price was back 2.4p/kg to 357.9p/kg. R3 heifer prices were back in all the GB regions with the exception of Southern England where it increased by 4.7p/kg from the previous week to 352.8p/kg. The strongest decline was recorded in Northern England where the R3 heifer price was back by 7.7p/kg to 354.1p/kg. In ROI last week the R3 steer price was the equivalent of 312.9p/kg, up 1.6p/kg from the previous week while the R3 heifer price was back 1.1p/kg to 321.8p/kg. The trade for cows and young bulls have showed some improvement in ROI last week while the steer and heifer trade remained fairly steady.

LATEST SHEEP MARTS

From: 26/04/14		Hoggets (P/KG LW)			
To: 02/05/14		No	From	To	Avg
Saturday	Omagh	247	417	478	-
	Swatragh	550	386	458	-
Monday	Massereene	396	390	442	-
Tuesday	Saintfield	461	382	450	-
	Rathfriland	310	386	441	400
Wednesday	Ballymena	381	350	439	378
	Enniskillen	268	400	442	-
	Markethill	350	370	419	-
	Armoyle	290	400	429	-

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 12/04/14	W/E 19/03/14	W/E 26/03/14
NI Liveweight	388.5	381.7	397.0
NI Deadweight	475.5	448.2	451.6
ROI Deadweight	456.9	453.7	457.5
GB Deadweight	489.8	483.2	475.8

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

W/E 26/04/2013	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	339.7	321.2	378.7	366.4	363.7	368.5
	R3	343.1	312.9	372.2	359.4	352.5	349.0
	R4	339.0	311.6	372.7	369.0	353.0	348.5
	AVG	332.7	-	369.9	360.2	346.5	336.4
Heifers	U3	353.6	336.3	382.7	366.6	362.4	361.9
	R3	345.9	321.8	368.5	354.1	352.8	352.8
	R4	342.9	321.0	370.4	359.9	355.3	346.4
	AVG	338.9	-	369.5	357.6	349.8	338.2
Young Bulls	U3	324.5	301.1	373.6	340.7	355.3	351.9
	R3	320.0	293.3	352.9	325.8	341.9	342.1
	O3	299.2	263.8	308.0	289.3	317.4	313.4
	AVG	306.5	-	334.8	312.3	333.0	323.9
Prime Cattle Price Reported	4538	-	6183	5620	5084	3810	20697
Cows	O3	244.6	237.1	255.2	250.1	254.7	250.8
	O4	248.8	239.6	254.8	251.2	261.0	248.6
	P2	197.1	204.1	190.3	203.7	208.8	186.6
	AVG	229.3	-	244.0	229.6	246.0	215.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=82.25p 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 LIVELWEIGHT CATTLE MART PRICES NI

W/E 19/04/14	1st QUALITY			2nd QUALITY		
	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	197	216	204	165	196	180
Friesians	140	150	144	133	139	136
Heifers	194	221	200	160	193	176
Beef Cows	155	193	165	115	154	135
Dairy Cows	102	137	110	60	101	80
Store Cattle (p/kg)						
Bullocks up to 400kg	226	279	236	180	225	200
Bullocks 400kg - 500kg	219	244	227	175	218	195
Bullocks over 500kg	214	238	217	170	213	190
Heifers up to 450kg	190	230	210	150	189	175
Heifers over 450kg	195	240	215	150	194	175
Dropped Calves (£/head)						
Continental Bulls	250	385	300	160	248	200
Continental Heifers	200	325	240	80	198	140
Friesian Bulls	60	125	100	15	58	38
Holstein Bulls	45	100	80	1	42	28

LATEST SHEEP MARTS

From: 26/04/14		Spring Lambs (P/KG LW)			
To: 02/05/14		No	From	To	Avg
Saturday	Omagh	69	497	560	-
	Swatragh	170	493	509	-
Monday	Massereene	255	480	525	-
	Kilrea	300	470	479	-
Tuesday	Saintfield	238	467	500	-
	Rathfriland	240	462	510	-
Wednesday	Ballymena	207	430	540	460
	Enniskillen	202	490	572	-
	Markethill	210	440	470	-

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 12/04/14	W/E 19/03/14	W/E 26/03/14
NI Liveweight	476.5	477.0	487.5
NI Deadweight	500.4	479.9	490.7
GB Deadweight	516.9	529.6	531.9

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